

Big Guns In Zone, UN Says

Serbian Defiance Of NATO Alleged

By John Pomfret

Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The commander of United Nations forces in Gorazde said Monday that he was convinced that Serbian forces, in defiance of a NATO ultimatum, were keeping heavy weapons within a 12-mile exclusion zone around the besieged Muslim enclave.

The UN commander, Lieutenant Colonel David Santa-Olalla of the British Army, said Serbian refusal to allow unarmed UN military observers to patrol in the area, another violation of the NATO order, and the discovery over the weekend of two Serbian big guns inside the exclusion zone, had led him to conclude that "there continue to be Serb heavy weapons" within the zone.

UN officials also asserted that 100 to 150 Serbian policemen deployed inside a smaller 1.9-mile infantry exclusion zone around Gorazde were actually soldiers and therefore violated another aspect of the NATO ultimatum banning ground troops.

"They are not policemen," said a French Navy commander, Eric Chaperon, a spokesman for the UN Protection Force in Bosnia.

The statements illustrated the so far unbridgeable gap between the letter of the NATO ultimatum on April 22 threatening air strikes and UN efforts to carry it out.

While UN officials say air strikes remain a possibility, all indications are that they are highly unlikely. In that case, it remains unclear how the United Nations will cajole the Serbs into compliance. Bosnia's mostly Muslim government has refused to restart the peace process until Serbian forces fully observe the terms of the NATO order.

Since the ultimatum was issued, the United Nations has gone to extremes to avoid a clash with the Serbs around Gorazde, abutting an important Serbian supply route into southern Bosnia.

Last week, for example, Yasushi Akashi, the special envoy of Secretary General Butros Butros Ghali, struck a deal with the Serbs that, UN military officials said, adversely modified the terms of the Gorazde ultimatum and an earlier NATO order issued for Sarajevo.

According to the Gorazde ultimatum, UN troops and humanitarian convoys were supposed to have immediate and unimpeded access to the besieged Muslim pocket. In reality, however, Serbian forces in the Serb-controlled town of Rogatica had been holding up a company of Colonel Santa-Olalla's men for weeks.

So Mr. Akashi negotiated their release by letting the Serbs move between five and seven tanks south from around Sarajevo to the Serb-controlled town of Travno. Under NATO's Sarajevo ultimatum, issued Feb. 9, no Serbian heavy weapons should be moved from around a 12-mile zone encircling Bosnia's capital.

UN officials explained Mr. Akashi's decision as a "pragmatic" move. But some critics within the United Nations say his actions hurt UN credibility.



Sandor Csintalan, right, the secretary of the Hungarian Socialist Party, leaning on the party's vice president, Imre Szekeres, while being congratulated Monday as the voting results came in.

Hungary Socialists Ahead in Vote

Compiled by Our Staff From Dispatches

BUDAPEST — The Hungarian Socialist Party, after a resounding victory in the first round of parliamentary elections, began laying the groundwork on Monday for a possible coalition with liberal allies.

But the party's only likely ally, the Alliance of Free Democrats, vowed to fight on in the second round of runoff elections in three weeks.

With more than 99 percent of the votes counted, the former Communists, renamed the Socialists, led with 33 percent. As the leading party, they will be asked to put together a coalition government and name a prime minister.

Second were the liberal Free Democrats with almost 20 percent.

The center-right Hungarian Democratic Forum, the senior government coalition partner, was a poor third at 12 percent.

Voters cast ballots for individual candidates and party lists to fill the National Assembly, but most of the races will not be decided until runoffs for those garnering at least 15 percent of the vote are held May 29.

Of the 176 seats allotted to individual candidates, Socialists had won two with more than half the vote and were leading for 160 others, meaning that 174 seats are to be voted in the runoff. The Free Democrats were leading in 12 and the Forum in one.

A simple majority is needed to win in the second round.

Voters will have to decide on May 29 whether to keep voting for the Socialists, creating a mammoth Socialist faction in the parliament, or to back the Free Democrats to give the liberals leverage in a potential coalition.

(Reuters, AP)

Northern Advance Seems to Bog Down Outside Yemen Port

By Nora Boustany

Washington Post Service

DJBOUTI — Westerners arriving from Aden on Monday said the city was calm as rival Yemeni armies of the south and north traded volleys of communications.

Northern troops were reported to be advancing in a crescent from the west and meeting southern resistance on the eastern front.

The pincer offensive seemed bogged down in difficult mountainous terrain east of the besieged port city commanding access to the Red Sea and the Bah al Mandeb Strait at its entrance, according to French naval officers monitoring coded radio communication off the coast.

An attempted thrust by the north was repulsed, and Aden radio quoted the southern military command as saying that its fighters had retaken Zinjibar, 50 kilometers (30 miles) to the east of the city.

But in the Yemeni capital, San'a, the northern military command, led by President Ali Abdullah Saleh, predicted Monday that Aden would fall within hours.

In the first major estimate since Yemen's civil war erupted early last Thursday, the San'a-based English language daily Yemen Times reported Sunday that 12,000 fighters had died on both sides.

Aden was reported calm Monday, though without electricity or water. Men in the streets paraded with Soviet-made AK-47s, evacuees said.

Westerners who left Aden said that they would definitely sense that war was under way, but that they did not feel threatened. Hundreds of Westerners have been evacuated.

Thousands of civilians in Aden volunteered under a general mobilization order issued Saturday to

gather reinforcement troops in the Lahaj area north of Aden.

At the same time, President Saleh urged southerners to desert and join forces with his troops before the fall of Aden.

But the major ground battle did not appear to have begun. Military experts said that so far, the fighting primarily consisted of air battles and that, despite claims to the contrary, the southern Soviet-equipped navy had not yet entered the war.

"We cannot see anything from the shore, but we can hear," said Lieutenant Colonel Daniel Vollet of the French Navy. "The horrible part will begin when there is street fighting in Aden."

The northern army has 36,000 men and can call 10,000 reservists in action. Its southern adversary hopes to increase its ranks from 23,000 to 45,000 with reservists and volunteers.

Robert H. Pelletreau Jr., the U.S. assistant secretary of state for Near Eastern affairs, said in the United Arab Emirates that northern units had won some victories at the start of the fighting but that the south was putting up strong resistance.

Independent verification of battlefield claims was not immediately possible.

The north pledged to battle on until Aden has fallen. A military communiqué read over San'a radio on Monday boasted that Aden would "fall within a few hours."

Foreign Minister Mohammed Salim Basindwah repeated his government's opposition to outside mediation and said the north would fight until "the rebel group that has deviated from constitutional legitimacy" was crushed.

Aden radio cited an unidentified Yemeni military spokesman in Aden as denying reports that fierce battles were fought north of the city.

WORLD BRIEFS

Berlusconi Appears Ready to Present His Cabinet Selections on Tuesday

ROME (AP) — Prime Minister-designate Silvio Berlusconi plans to present his cabinet selections Tuesday following two weeks of meetings and disputes on forming a government, an aide said Monday.

This suggests that Mr. Berlusconi has decided on an interior minister — the last major post still under consideration.

Mr. Berlusconi plans to present the cabinet choices to President Oscar Luigi Scalfaro on Tuesday, according to a spokesman for Forza Italia, Mr. Berlusconi's group in the three-party coalition. The president must approve the cabinet selections.

On Saturday a nationally famous prosecutor, Judge Antonio Di Pietro, turned down an offer to head the Interior Ministry. Mr. Berlusconi's main election ally, Umberto Bossi of the Northern League, has dropped demands that the Interior Ministry go to a member of his party.

Italy Seeks Arrest of Ex-Nazi Officer

ROME (Reuters) — An Italian military judge issued a warrant on Monday for the arrest of a former German Nazi SS captain on suspicion of involvement in the killing of 335 Italians at the Ardennine Caves outside Rome in 1944.

The move will allow the Justice Ministry to begin extradition proceedings against the former captain, Erich Priebke, 81, who has lived in Argentina since he escaped from a British prison camp in Italy in 1948.

The Ardennine Caves massacre was carried out by occupying German forces in retaliation for a partisan bomb attack that killed 33 Nazi storm troopers. The victims included 75 Jews. Mr. Priebke acknowledged last week in an interview with the American television network ABC, which traced him to the Argentine city of San Carlos de Bariloche, that he had taken part in the killings.

EU Defense Body Makes Offer to East

LUXEMBOURG (AP) — The European Union's fledgling defense group on Monday offered close and regular security consultations to six East European neighbors and the three Baltic republics.

Foreign and defense ministers of the Western European Union, which comprises the 12 EU states except Denmark and Ireland, offered "associate partner" status to Poland, Hungary, the Czech Republic, Slovakia, Bulgaria, Romania, Latvia, Estonia and Lithuania. This will enable these nine countries to attend the biweekly WEU ambassadors' session at the organization's Brussels headquarters.

As associate partners, the nine East European states get no security guarantees and cannot veto WEU decisions. But they will be able to raise their own security concerns and contribute troops to WEU missions.

A Swiss Case of AIDS-Tainted Blood

GENEVA (AFP) — A former head of the Swiss Red Cross's central laboratory, Alfred Haessig, has been charged with causing grievous bodily harm by distributing blood contaminated by the AIDS virus, the Swiss news agency ATS reported.

The agency, quoting Examining Magistrate Pierre Marquis, said Mr. Haessig, 73, had denied the accusations.

Judicial investigations into the spread of AIDS-contaminated blood were begun two years ago. So far seven people, including five hemophiliacs, have filed complaints that they contracted the virus through transfusions in 1985 and 1986.

Beijing Stonewalling, Taiwan Says

TAIPEI (Reuters) — Taiwan's semi-official news agency said Monday that a delegation visiting China to investigate the deaths of 24 Taiwan tourists was prevented from seeing autopsy reports or interviewing four Chinese suspects.

Chinese authorities rejected a demand to see autopsy reports and instead showed them slides and video tapes of the condition of the bodies, the Central News Agency said in a report from Hangzhou. The authorities also denied the mission's request to interview the four men arrested and charged with involvement in the arson attack on a pleasure boat, which killed the tourists and the eight mainland Chinese crew on Qiandao lake in coastal Zhejiang province on March 31.

China has said the three suspects and their accomplice were motivated by robbery. But Taiwan has been skeptical after Taiwanese intelligence reports suggested that renegade Chinese soldiers were involved in the murder and arson attack. Beijing has denied this.

Filipinos Vote in Village Elections

MANILA (AP) — Filipinos voted on Monday in elections to choose village leaders in the first grass-roots balloting under the presidency of Fidel V. Ramos. The Commission on Elections said the voting was generally peaceful, although at least 26 people have died in election-related violence since March.

The presence of armed men blocked voting in 133 villages in the southern Philippines. That brought to 274 the number of villages where voting was suspended. There also were complaints of people unable to find their names on voter lists and delays in the opening of precincts, the Commission on Elections said.

Filipinos elected chairmen of their *barangays*, the nation's basic geographical and political unit, and members of their village councils. These officials formulate village-level policies, initiate livelihood projects and settle community disputes. There are 41,900 *barangays* throughout the country. A total of 827,742 candidates sought posts.

For the Record

A strike called by Muslim militants in Kashmir caused the Indian-led region to grind to a halt on Monday, the day the state government made its annual move to the summer capital, Srinagar. The Kashmir militants have been leading a four-year revolt against Indian rule in which more than 16,000 people are estimated to have been killed. (Reuters)

TRAVEL UPDATE

Paris to Enjoy a Triumphant Eclipse

PARIS (AFP) — A partial eclipse of the sun on Tuesday will produce a rare sight in the French capital with a spectacular view through the Arch of Triumph.

At 9:03 P.M., the sun, with 42 percent of its light blocked off by the moon, will be centered in the archway for people looking along the Champs-Élysées. The last time the sun was in eclipse at that position 1.7 degrees above the horizon, was 261 years ago, when the monument did not exist. The next time is due on May 11, 2078.

A toll system for cars using German motorways is being considered by the government, Transport Minister Matthias Wissmann said on Monday. But he said any such plan was still years away. He acknowledged that Bonn was considering a toll system using hi-tech electronic monitors to keep track of the distances traveled by motorists and charge them accordingly. He said tests of recording devices had just begun and would continue through mid-1995.

The new Pegasus bridge over the canal at Benouville in Normandy, the first site liberated during the D-Day invasion of World War II, was opened to traffic on Monday. The original bridge, seized by British paratroopers in the early hours of June 6, 1944, was dismantled last November because it was worn out.

British Airways will begin service to Orly airport in Paris May 16 with four daily flights from Heathrow in London.

A record 455,000 Japanese took advantage of the yen's expanded purchasing power and traveled abroad during the nation's "Golden Week" holiday, the Japan Travel Bureau estimated Monday.

Yeltsin Confirms Joint U.S.-Russia Maneuvers in July

Agence France-Press

MOSCOW — President Boris N. Yeltsin said Monday that he was maintaining joint Russian-American military maneuvers in July in Russia despite opposition by his parliament, the Interfax agency reported.

Mr. Yeltsin said the maneuvers would "reinforce the spirit of friendly cooperation" between Russia and the United States.

Mr. Yeltsin said in April that he was going to re-examine whether to go ahead, under pressure from the parliament.

On Monday, he said he had decided to go ahead with the maneuvers because the "spirit of partnership" was paramount on the international scene and because "Russia was trying to improve relations with its former enemies, especially the United States."

The lower house of parliament, the State Duma, which is largely conservative and hostile to Mr. Yeltsin's reforms, has said it opposes the maneuvers, which would mark the first time American soldiers have been allowed to train on Russian soil.

Gaza's Futile Day, Waiting for PLO Police

Compiled by Our Staff From Dispatches

RAFAH, Gaza Strip — After a day of frustration and delay over the arrival of a Palestinian police force, Israel and Palestine Liberation Organization commanders agreed Monday night on a plan for bringing in the first policemen to the Gaza Strip.

Brigadier General Yon Tov Samia announced the agreement, saying he expected the process of getting the Palestinians in and the Israelis withdrawn from Gaza and the West Bank town of Jericho would go quickly once it started.

"The entire transfer of power to the Palestinians will be completed in a few days," he said in a news conference with a PLO commander, Major General Nasr Yusef.

General Samia said the PLO policemen would arrive as early as Monday night, but other officials suggested Tuesday morning for the crossing.

As darkness fell, a military spokesman, Captain Sharon Ginkler, said at the crossing that the police had failed to arrive on the Egyptian side in time.

The arrival of uniformed policemen would be the first step toward realization of the agreement last week to allow Palestinians to run their own lives in the autonomy zones. And about 100 members of the fledgling force who live in Gaza eagerly donned their new blue uniforms in anticipation.

As about 10,000 Palestinians gathered in Rafiah to greet the initial contingent of about 100 of their own policemen, some chanted "Hello and welcome," but others hurled stones at Israeli paramilitary troops.

At least 23 Palestinians were wounded as Israeli policemen opened fire with rubber bullets in Rafiah and the nearby Deir al-Balah and the Nuseirat refugee district — all on the road linking Gaza with the Egyptian border.

Adnan Hamad, leader of the Palestinian Democratic Party, expressed the frustration of people in the occupied territories as he waited in Jericho for another group of policemen arriving from Jordan.

"The police could be coming in an hour," he said. "They could be coming in two weeks. Nobody knows anything."

The first group of policemen was expected to take over an Israeli military base in Deir al-Balah.

Palestinians initially posed for pictures with Israeli soldiers outside the base. But teenagers, mostly Islamic militants, started hurling stones, and troops responded with rubber bullets, wounding five.

(AP, AFP)

Youth Killed by Settler

A Jewish settler shot and killed a Palestinian youth who was throwing stones in the settlement of Neve Dekalim in the Gaza Strip on Monday, just as the strip was about to be handed to Palestinian control, Reuters reported from Jerusalem.

Thailand's Turn On Censorship Of 'Schindler'

The Associated Press

BANGKOK — Filmmakers in Thailand, which has a huge sex industry, may not have a chance to see "Schindler's List" because the Police Censorship Board wants a brief semirude love scene cut.

Steven Spielberg's film about the Holocaust was supposed to have its premiere here last Saturday. But the censorship board intervened. The premiere was rescheduled for next Saturday while the distributor asked the board to reconsider.

If the board does not yield, the film will not be shown in Thailand because Mr. Spielberg has insisted that it be shown in its entirety.

The semirude scenes in "Schindler's List" also caused censorship problems in other Asian countries. In the Philippines, it was screened in its entirety only after President Fidel V. Ramos interceded.

In Malaysia, the film was first banned as "Zionist propaganda." Later, the cabinet allowed it to be screened if semirude scenes were deleted.

But in Los Angeles, Mr. Spielberg's production company said Monday that it was withdrawing its films from distribution in Malaysia because of the government's insistence that the scenes be cut.

Saudis Linked to Iraqi Abuse

By Caryle Murphy

Washington Post Service

CAIRO — Iraqi refugees, greeted as "welcome guests" by Saudi Arabia after the Gulf War in 1991, have been subjected to beatings, torture, collective punishment and

forced returns to Iraq, according to the human-rights organization Amnesty International.

Based on interviews with more than 200 refugees, since resettled in other countries, the Amnesty report cites cases of individuals forced by Saudi guards to eat sand and drink urine.

Others were reportedly given electrical shocks, beaten on the soles of their feet, rolled across the hot hood of a car while naked, dragged behind a vehicle and, in one case, sexually abused. In two cases cited, refugees died after ill-treatment.

This abuse was reportedly inflicted on people accused of criticizing Saudi administration of the camp, participating in hunger strikes against camp conditions, smuggling letters, being "troublemakers" or "disobedient" to camp guards.

"Far from being 'welcome,' the Iraqi refugees have been subjected to treatment unacceptable by any international standards for the treatment of refugees," the Amnesty report said.

"It's not true," a Saudi Information Ministry official, Shehah Jammou, said of the report. "Saudi Arabia is doing its best. Besides, those people are human beings. We don't torture anybody."

"There is a school, a hospital" at the camp, he added, saying the Saudi government "is spending so much money for the refugees."

The Iraqis, who originally numbered 32,000, include several thousand former Iraqi soldiers who sur-

rendered to U.S.-led allied forces during the Gulf War and declined to be repatriated.

A larger number are civilians who fled to allied protection during the postwar Shiite insurrection in southern Iraq, and then were moved to Saudi custody when the allies went home.

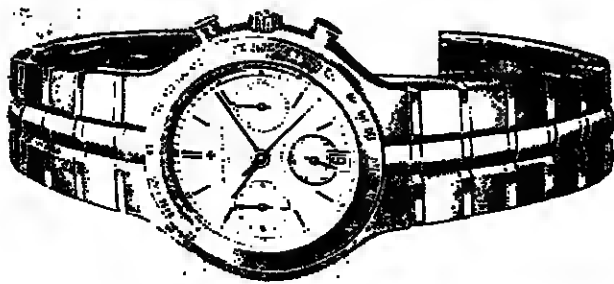
The refugees have decreased to about 23,000. A total of 6,288 were resettled in other countries, and 2,188 voluntarily went home, the report said. Originally housed in two desert camps, they were later consolidated into one at Rafiah, near the Iraqi border.

In the most serious incident, camp inmates rioted to protest Saudi refusal to grant asylum to an Iraqi family fleeing Iraq in March 1993, the report stated. Nine Iraqis were killed when Saudi soldiers allegedly fired into the crowd. Four Saudis also died after being trapped inside a building set afire by the inmates.

A Saudi military investigation reported that the Iraqis were killed when guards opened fire to clear a path to the burning building. But an independent inquiry was carried out, Amnesty said.

The Saudi government has previously underscored its assistance for the refugees, including the erection of temporary homes with running water and communal showers, a school, clinics, a technical college and mosques. It also initially gave each refugee a stipend of \$60 a month. But this has been withheld since the March 1993 riot, Amnesty reported.

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		Korea	0082-2-224-0011	Poland	0048-22-224-0011				

Millions for Arms, None for Food, and War-Racked Angolans Are Starving

By John Darnton
New York Times Service

HUAMBO, Angola — When the sun goes down, darkness descends and this city disappears into an eerie void. No one stirs on the streets. There are no lights, no sounds, not even the barking of a dog. Darkened hulks of crumbling buildings lie silent under the stars.

Huambo, Angola's second-largest city, is headquarters of the rebel movement that roams across two-thirds of the countryside. Like Luanda, the coastal capital held by the government, it is a place to measure the havoc and suffering wrought by nearly two decades of civil war in this country in southwestern Africa.

Huambo has no electricity and no running water. It has one shop, but the shelves are practically bare, selling only vegetable oil, sugar, and four types of beer somehow ferried in from Namibia.

In the Central Hospital, looted in the course of an excruciating 55-day siege by the rebels last year, patients lie on steel bed frames awaiting treatment by doctors who have almost no medicine to dispense. A single blanket is so hard to come by that it can cost 1,300 pounds of maize.

Were it not for the almost daily flights of emergency food aid brought in by the UN World Food Program and

the International Red Cross, at times reaching a mammoth 900 metric tons a week, 400,000 people would face starvation within a week.

Life is not much better in Luanda. It is estimated that 2,000 children live on the streets. Many are war orphans. Others come from provincial capitals in the thick of the fighting, tossed into the holds of cargo planes by desperate parents. Dressed in rags, they spend nights in the sandy strip along the bay and their days begging and foraging for food through mounds of garbage.

Luanda's 2.5 million people also lack electricity. A month ago, the rebels severed a major power line from the Cambambo Dam, and now aging diesel turbines crank out just enough power to feed the central district with rotating blackouts.

Angola's agony is one of the longest-running wars in Africa, and the only remaining serious conflict in southern Africa, now that South Africa itself is embarking on multiracial rule. Like other conflicts in Africa — notably the recent massacres in Rwanda — tribalism plays a role here.

But it is much more complicated than that. The fact that Angola has so much potential wealth pervasively allows the conflict to continue. The government has

access to oil to buy its weapons, and the rebels smuggle out diamonds through Zaire.

Hardship, like suffering, is being equalized as the war ages. Ever since independence from Portugal in November 1975, government forces of the once-Marxist Popular Movement for the Liberation of Angola have been locked in a struggle for supremacy with the National Union for the Total Independence of Angola. Known by its Portuguese acronym, UNITA, the Popular Movement has the crowded coast, and UNITA is strong in the central highlands.

Now, the government of President José Eduardo dos Santos is exhausted, corrupt and ideologically bankrupt. It is meekly subservient to World Bank dictates to try to strike a pulse in the moribund economy. UNITA is more disciplined but ruthless and in the thrall of its charismatic founder, Jonas Savimbi, now beginning to show his age at 59.

Both sides spend huge sums on arms. No one knows how many weapons UNITA is buying on the illegal market, but its main income, from diamonds mined in the Lunda Norte region, is thought to be over \$1 million a week.

The government buys much of its military hardware from Brazil. One report, done for the British-based

Research Institute for the Study of Conflict and Terrorism, said that in its 1993 budget, \$475 million went for the military, \$18.5 million for health and \$12 million for education.

After a peace accord was signed in Portugal in May 1991, hope reigned that after some 30 years of conflict, beginning with the guerrilla bands that attacked the Portuguese colonialists, peace might finally come to one of the continent's richest countries. Angola is steeped in oil, diamonds, minerals and coffee.

But the hope was short-lived. Before elections scheduled for September 1992, tensions rose dangerously. The two sides traded accusations and threats. Voter registration was chaotic. UN observers were short-staffed, ill-prepared, and short of money (\$152 million was set aside for the Angola operation compared with \$2 billion for Cambodia).

Demobilization of the two forces was never accomplished. UNITA scaled down the estimates of its force from 70,000 to 50,000 and let only a small proportion go. The 100,000 government troops and militia, underpaid and demoralized, scattered to the winds. But some were transferred into a paramilitary police unit, which UNITA saw as a threat.

By the time the results were announced on Oct. 17,

giving Mr. dos Santos a plurality but requiring a second round, it was almost a foregone conclusion that Mr. Savimbi would reject them. His supporters say he is imbued with an almost messianic sense that he is destined to rule the country. Within days, UNITA forces attacked the airport and in turn were being hunted down and killed in Luanda.

With arms caches throughout the country and superior organization, UNITA quickly overran much of the territory. By mid-1993, it held most of the major provinces, forcing government troops into besieged provincial capitals and forcing ever more people onto the already heavily populated coast. The fighting was more ferocious than ever, and the toll on an exhausted land was greater.

At the war's height last year, UN officials estimated that 1,000 people a day were dying from war-related causes, mostly famine. In the worst-hit area, around the provincial capital of Malanje, where relief workers found children with limbs no thicker than sticks, 250 children perished every day in October, relief officials said.

No one knows how many people have died since the fighting began 19 years ago, but figures up to 500,000 are commonly cited. The laying of 10 million to 15 million mines has made farming hazardous and created suspects estimated to total 70,000.

MANDELA: The President-Elect of South Africa Declares a 'New Era'

Continued from Page 1

plauded and shouted with joy. Immediately afterward, Mr. Mandela emerged on the steps outside Parliament with Mr. de Klerk and the ANC national chairman, Thabo Mbeki, his two deputy presidents, to hear the two national anthems.

From among the onlookers came choruses of "We Have Overcome." Military officers gave Mr. Mandela his first salute as president-elect.

Mr. Mandela, 75, was serving a life term for sabotage against the white government when Mr. de Klerk freed him in 1990. The two began negotiating the reforms that led to the April 26-29 election, the first to include the black majority.

Mr. Mandela and Mr. de Klerk had walked in to the chamber together on a red carpet to a standing ovation from the lawmakers, many of them former exiles and prisoners in the ANC struggle against apartheid.

The ANC leader sat in Mr. de

Klerk's old seat, while the outgoing president sat on the opposition benches for the first time in his 22 years in Parliament.

In a show of reconciliation, Mr. Mandela and his main black rival, Chief Mangosuthu Buthelezi, the Zulu nationalist leader, embraced and shook hands in front of the speaker's podium.

Mr. Mandela and other top ANC officials, including his estranged wife, Winnie, then became the first members sworn in to the National Assembly. They were followed by the ranks of new lawmakers from all races.

The ANC has 252 seats in the assembly. Mr. de Klerk's National Party, which had governed since 1948 and implemented apartheid's laws, won 82 seats, followed by Inkatha with 43.

The other seats were divided among the white, pro-apartheid Freedom Front, the liberal Democratic Party, the black militant Pan-Africanist Congress and the

African Christian Democratic Party. The assembly chose Frene Giniewski, a women's rights activist and head of the ANC's research department, as speaker.

Security was tight in central Cape Town in preparation for Mr. Mandela's speech. More than 1,000 police and soldiers, bolstered by 800 ANC marshals, were on patrol.

A Xhosa tribal singer dressed in traditional beads and animal skins sat outside the Parliament building, following incantations as the new lawmakers arrived and calling upon the spirits of deceased anti-apartheid activists.

More than 150,000 people, including scores of foreign dignitaries, are expected at the inauguration Tuesday in Pretoria. Guests include Vice President Al Gore, Hillary Rodham Clinton, Prince Philip of Britain and the Palestine Liberation Organization chairman, Yasser Arafat.

The new government's main task will be to write a permanent, post-apartheid constitution and try to make good on the ANC's campaign promises to provide housing, electricity and jobs for millions of impoverished blacks.

Despite the ANC's majority, it could face some major resistance during constitutional debates from Inkatha and the Freedom Front legislators, who say the constitution does not guarantee provincial governments enough autonomy.

Also Monday, Mr. de Klerk appointed six members of his old cabinet, including his veteran foreign affairs minister, R.F. Botha, to the cabinet of the new government of national unity. Mr. Botha was named minister of mineral and energy affairs.

Mr. de Klerk said the appointments had been agreed in consultation with Mr. Mandela.

Chief Buthelezi's Inkatha Freedom Party will appoint three ministers to the cabinet. (AP, Reuters)



NEW CRISIS IN LEBANON — Prime Minister Rafik Hariri smiling at his Beirut villa surrounded by supporters Monday as his struggle with President Elias Hrawi over a cabinet shuffle stepped up.

DISORDER: Personalities

Continued from Page 1

Medicine. "It's either being dismissed as ridiculous and irrelevant, or it's being taken too seriously."

Most commonly, the disorder comes up in an insanity defense. People accused of crimes ranging from heroin possession to murder have said the crimes were committed behind their backs, so to speak, by "alter personalities."

In such cases, the defense must convince the jury not only that the defendant really has the disorder, but also that it robbed him or her of the capacity to distinguish right from wrong.

Experts, however, often disagree on both questions. They disagree on who has the disorder, and some say there is nothing inherent in the disorder that should leave sufferers unable to abide by the law.

In a few cases, nevertheless, the defense has won. One of the first and most famous cases was that of Billy Milligan, an Ohio man said to have 10 personalities, who was found not guilty by reason of insanity in 1978 in the rape of two women.

In the Arizona trial, the jurors may have concluded that Mr. Carlson was faking. The prosecutor labeled him "a bad Toosie" and suggested that he had discovered the diagnosis in jail.

In the 1992 murder trial of a 21-year-old Minneapolis man accused of murdering a young girl, two expert witnesses said the defendant, John Jolley, had the disorder.

His lawyer wanted to argue that even if Mr. Jolley knew right from wrong, he should not be held responsible because he could not control himself. But Minnesota law does not allow a "diminished capacity" defense.

MOROCCO: Emerging as a Vital Bulwark Against Islamic Extremism

Continued from Page 1

try's most critical foreign-policy problem.

As Algeria's former colonial power and with up to 100,000 Algerians claiming rights to French citizenship, France faces being overwhelmed by a huge flow of political refugees from Algeria at a time when tensions over high unemployment and immigration threaten a social explosion in France.

Already, 2,000 to 3,000 Algerians are arriving in France monthly as they flee the violence between Islamic radicals and security forces that has cost at least 4,000 lives in the last two years.

Unlike the French, American officials are optimistic about Morocco's chances of containing the kind of unrest inspired by social, religious or anti-Western influence that has traumatized other countries in North Africa.

American officials say King Hassan's descent from the prophet Mohammed and the political legitimacy of a dynasty going back more than three centuries cannot be matched by other Arab leaders.

"It's amazing how comfortable Moroccans feel about their day-to-day lives when people next door in Algeria are getting decapitated for not wearing the veil," said the United States ambassador, Marc Ginsberg. "It would be a mistake to equate the two countries. But Morocco has about 75 percent of its population under the age of 35. The country needs to find jobs for young people or they will become fertile recruiting ground for Islamic radicals."

In the last decade, Morocco embarked on draconian economic reforms that are bearing fruit. Although unemployment remains dangerously high, the country has whittled down its debt, inflation has subsided and a new middle class is emerging to narrow the disparity between rich and poor. A long, costly drought has finally ended and foreign investment, including \$40 million from George

Soros, a Hungarian-American billionaire, is pouring in.

While still retaining close ties with France, Hassan has tried to diversify Morocco's relations abroad, encouraging new business connections with Spain and a stronger strategic partnership with the United States.

In part, the new importance the United States is attaching to Mo-

rocco derives from its loyal help in the past. Morocco was the first Arab country to contribute troops to the coalition that drove Iraq out of Kuwait. It has taken the lead in trying to end the Arab boycott of Israel and companies that do business with the Israelis. Apart from Egypt, it has developed the closest relations with Israel, including trade, banking, telephone and mail connections, of any Arab country.

KOREA: North's Threats Not Jarring People in South

Continued from Page 1

Tensions have also been rising because North Korea declared its intention to annul the armistice agreement that ended the Korean War in 1953 and replace it with a peace treaty that it would negotiate directly with the United States. Washington and Seoul oppose this idea.

In what was viewed here as a show of its contempt for the armistice agreement, North Korea blatantly violated the pact last week by sending two platoons of heavily armed soldiers into a border zone for a few hours.

It also withdrew its representative from a commission that oversees the truce. These actions prompted Mr. Kim to order South Korean troops to increase their vigilance.

But details of the tactical back-and-forth between North and South were lost on many people at the park.

A man who works for a heavy-machinery company said it might

not be all bad if North Korea did have the bomb because South Korea would inherit it after the inevitable reunification.

"It's sort of like having an older brother who's very good at fighting," he said.

Many of the people in the park, which once was the gallows of the main U.S. base in Seoul, are happy to have the American troops around just in case, even if the helicopters do intrude on their picnics.

But many college students vigorously oppose the presence of the troops, saying the United States is contributing to tensions.

"I really do think that we and the North Koreans are the same people," said Che Kyung Hui, 22, a student at Kangnam College, who was visiting Yongnam Park. "Even if North Korea had the bomb, to start a nuclear war, the target would not be us but the Americans."

A man who works for a heavy-machinery company said it might

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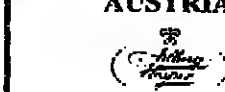
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Mr. Mandela's Unacknowledged

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

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Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

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Nelson Mandela sitting frostily next to his estranged wife, Winnie, at the swearing-in Monday.

Mrs. Mandela's Unacknowledged Presence

CAPE TOWN — Nelson Mandela and his estranged wife, Winnie, took the parliamentary oath together on Monday, but the president-elect never acknowledged her presence, even when she sat next to him.

His refusal to even look her way showed the extent of her exclusion from the inner circle of top African National Congress leaders, despite her popularity among militant youths.

Wearing a black and green outfit with a green turban, Mrs. Mandela joined her husband and eight others in the first group to be sworn in.

His coldness contrasted with his joyful demeanor with others during the proceedings. Several times, he stood up to embrace leaders of opposition parties and others.

The couple separated in 1992, after Mrs. Mandela was convicted on a charge of kidnapping and linked to an extramarital affair.

She expressed hope in recent weeks of reuniting with her husband, but he rejected it immediately. Mrs. Mandela was not even invited to the main party after Mr. Mandela's inauguration on Tuesday. His two daughters with Winnie — Zindzi and Zenani — will escort him.

UN Flights Disrupted By Shelling in Rwanda

KIGALI, Rwanda — Artillery and mortar bombardments battered the eastern edges of Kigali on Monday, stopping UN flights.

UN officers said shelling erupted along the eastern front lines as Rwanda Patriotic Front rebels resumed an offensive on government forces holed up at the airport.

"There is shelling everywhere — very heavy mortar and artillery fire. It was impossible for our plane to land," said the UN Assistance Mission in Rwanda's executive director, Abdul Kabia. "The situation is very tense. It appears that even if there ever was any cease-fire, it is definitely not holding at all."

He said that at least one shell slammed into the airport tarmac but that there were no casualties. A Canadian transport plane carrying UN troops and journalists was forced to return to Kenya's capital, Nairobi, without landing at Kigali.

The airport is held jointly by the UN Assistance Mission and government troops, who have refused to withdraw.

The bombardments concentrated on rebel positions in a valley on the eastern outskirts of Kigali, the presidential palace and Kanombe camp, a fortified base for elite government troops.

The tribal slaughter was unleashed by the death of President Juvénal Habyarimana of Rwanda, a Hutu, and President Cyprien Ntaryamira of Burundi in a rocket attack on their plane at Kigali airport on April 6.

More than 200,000 people are estimated to have been killed in massacres, mostly of Tutsis by Hutu troops and militiamen. The Rwandan Patriotic Front is dominated by the minority Tutsi tribe.

Rebels have advanced on Kigali's Kanombe Airport since Wednesday, threatening to cut the only air link with the outside world for the 270-member UN force and relief agencies in Rwanda.

Only one UN flight has landed at Kigali since Thursday.

Asked whether airport closures were making the position of the UN force untenable, Mr. Kabia said: "We don't plan to go yet."

U.S.-Bound Dissident Arrested in Shanghai

SHANGHAI — Shanghai police officers detained a member of the locally based Association for Human Rights as he prepared to board a flight for the United States, and some of his colleagues have also been picked up, a dissident leader said Monday.

Ling Muehen, an artist, was detained on Friday as he was preparing to board a U.S.-bound flight, said the dissident, Yang Zhou.

A U.S. consular official in Shanghai confirmed that Mr. Ling had been given a U.S. study visa.

Sources who have been in touch with Mr. Ling's family said he was stopped as he walked toward the border police at Shanghai's international airport.

Mr. Yang said that on Tuesday last week, the police picked up a local activist, Dai Xuezhong. Two days earlier, he said, they picked up Li Guotao, chairman of the rights association, which is involved in a long battle to officially register.

Mr. Yang said the first dissident to be seized was Wang Fuchen, whose detention along with a fellow activist, Bao Ge, sparked a diplomatic dispute during the visit of Prime Minister Edouard Balladur of France.

The detentions come at a sensitive time on the Chinese political calendar, when the police are looking out for any hint of dissident activity before the fifth anniversary, on June 4, of the Tiananmen Square crackdown.

Additionally, President Bill Clinton has until June 3 to decide whether Beijing has made sufficient progress on human rights to warrant renewal of its most-favored-nation trade status for another year.

Hata Presses Opposition To Help Pass the Budget

TOKYO — Prime Minister Tsutomu Hata pleaded with opposition leaders on Monday to help his minority government push through a long-delayed state budget.

Speaking after a 10-day break, Mr. Hata told a former prime minister, Noboru Takeshita, and other Liberal Democratic Party figures attending a business conference that "our basic policies are very similar."

"We should work together to enact the budget and tax reform bills," he said.

Mr. Hata also announced that his coalition had spent several days talking with the opposition Socialists to try and narrow their differences over a tax-reform bill.

There was no indication, however, that either the Liberal Democrats, who governed Japan for 38 years until Mr. Hata and a group of party reformers broke away last year, or the Socialists were ready to help.

Both parties have said they will cooperate in passage of the budget, due to have taken effect on April 1, but they have indicated that after that all bets were off. Over the weekend, LDP and Socialist chiefs indicated that they could decide at

any time to topple the government by calling a no-confidence vote.

Mr. Hata took over as prime minister from Morihiro Hosokawa on April 25 after a lengthy feud within the nine-month-old governing coalition over policies and personalities.

But hours after the legislature approved Mr. Hata's appointment, the Socialists abandoned the coalition, depriving the new prime minister of his working majority.

Now, two weeks after taking office as Japan's first minority government since 1955, the Hata cabinet is reeling from the resignation of Justice Minister Shigena Nagano, who was forced out Saturday after he sought to whitewash one of the worst Japanese atrocities of World War II.

Mr. Nagano had said in an interview that Japan was not an aggressor in the war and that the 1937 Rape of Nanjing, in which tens of thousands of civilians were killed, was a historical fabrication.

His departure appeared unlikely to resolve the issue. The Liberal Democrats and the Socialists said they would now demand that Mr. Hata publicly explain why he appointed the outspoken World War II veteran and postwar army chief of staff to the cabinet.

Matching Reality and Dream in South Africa

By Bill Keller
New York Times Service

CAPE TOWN — A fiery-eyed union leader with a Trotsky beard, Jay Naidoo is the chief proponent of Nelson Mandela's plan to ease the misery of South Africa's black majority by transforming the apartheid bureaucracy into an engine of houses, jobs and decent schools.

Derek Keys, a boardroom wizard who has spent the last two years as President Frederik W. de Klerk's finance minister, is the ranking apostle of low-spending, business-friendly government.

At a glance, the two men hardly seem meant for the same planet. But they will be sharing the new government's trickiest assignment: to lift the lives of the newly enfranchised electorate without bringing down Africa's richest economy.

The two men agreed in interviews on the general goal of the "reconstruction and development program" which Mr. Mandela says is his minimum promise to the poor.

The program, scaled down after wide consultation with the business establishment but still ambitious, calls for building 1 million homes and creating 2.5 million public service jobs before the next elections, in 1999, and for providing 10 years of free education for all children.

The men agreed, too, on the danger of bleeding the affluent whites who run the economy and of scaring away investors.

But as they talked, it was possible to hear the first strains of a debate that may soon test the unity of this unity government.

"I have no difficulty with the program insofar as it represents a direction," said Mr. Keys, whom Mr. Mandela has invited to stay on as finance minister. "The biggest thing that has to happen is that it still has to be fitted into what can be done. In the course of

that you're going to sacrifice fair parts of it. You can't do everything."

The African National Congress is no longer the collection of Marxists and economic populists, nationalists and redistributors that once terrified white business.

Mr. Naidoo, who is to be minister without portfolio in charge of the reconstruction plan, speaks with apparent conviction about "sustainable growth" and the "disincentive effect" of high taxes. He and other economic ministers in the cabinet listen to an eclectic chorus of advisers, but seem most influenced by market-oriented mentors here and in the United States and Europe. They have signed international trade and borrowing commitments that bind them to honor free markets. They have retained Mr. Keys.

But many wonder how long the ANC's new-found market faith — and the spirit of consensus government — will survive when the demands of business and the poor begin to conflict.

"One doesn't know what the reaction will be to failure," said Mr. Keys, when asked if he trusts Mr. Mandela's pro-business conversion.

Mr. Naidoo, in turn, does not want the new government to be taken for African Realism. "To think that we are going to solve our problems in South Africa on a sustainable basis through economic populism is a fairy tale," he said.

"We have learned from the experiences of the rest of the world," he said. "But at the same time, there's no way you are going to have economic growth here that continues to benefit just a small minority of people."

"Unbridled free-market systems have failed under Reagan and Thatcher. A government has got to intervene to create an environment where people's basic needs are met."

There is also a stress on restitution in the new government that does not sit easily with the capitalists Mr. Keys represents.

In South Africa, said a Stellenbosch University economist, Sampe Terreblanche, 5 percent of the population, mostly white, owns 88 percent of the wealth. That is nearly double the concentration of wealth in the 10 richest Western countries.

Mr. Naidoo rejects, for now, the proposal some of his allies were floating last year to narrow the economic gap by taxing the accumulated assets of the rich.

But Mr. Naidoo makes clear the limits of his suffering of what he calls the "selfishness" of the rich.

"The rich need to look at what is their contribution going to be," he said. "We would prefer to do things by agreement rather than being prescriptive."

The economy the African National Congress inherits is just emerging from 20 years of decline, battered by sanctions, drought and recession. Productivity is low, investment has been neglected, unemployment — mainly among blacks — is over 40 percent. Government has been bloated and wasteful, and the cartel-dominated economy has lost the habit of competition.

On the other hand, the country is developed beyond any other in Africa, and its economic system is, as Mr. Keys observes, "as tough as old boots." It has weathered the economic equivalent of the Biblical plagues, yet economic activity and confidence are higher than before.

The problem, everyone agrees, is how to make the economy grow faster and create jobs. Mr. Keys estimates that 4.5 percent annual growth of the economy is needed to stand in place, without even reducing the unemployment rate. This year, growth is expected to be about 2.5 percent.

"We don't have low wages to offer," Mr. Keys said. "The Congress of South African Trade Unions" — which Mr. Naidoo has run since 1985 — "set its face against that. The market in Southern Africa is likely to grow slowly. You have to get investment up. That means you have to attract entrepreneurs. How do you attract entrepreneurs if you can't offer them low wage costs?"

"You can devise government programs, incentives, to create conditions for investment. But it all costs money, in competition with your social policies. So that's the nub of the difficulty."

Mr. Naidoo said the main focus would be to educate and enrich the disadvantaged majority, thus offering investors a skilled workforce and a great market of new consumers.

Mr. Naidoo insists the social programs outlined in the reconstruction manifesto can be squeezed from the existing budget. The new government will get some money, he said, from an "apartheid dividend" — streamlining the redundant bureaucracies that served the different races under apartheid. Segregated school systems and housing programs will be consolidated.

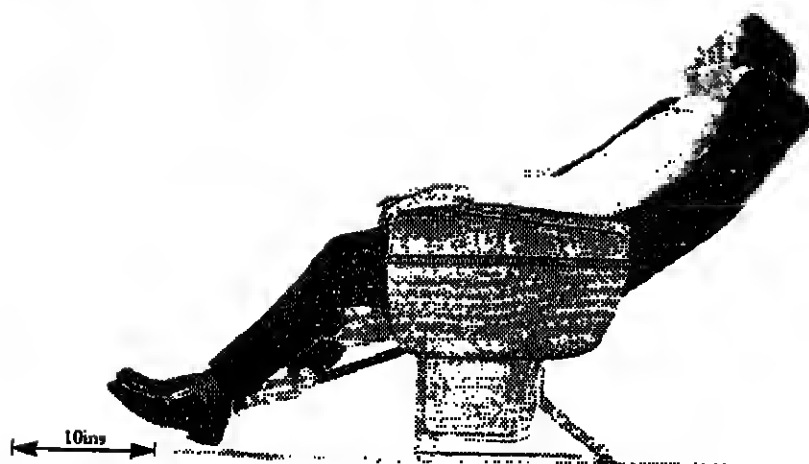
Military spending, he estimated, would be cut by a third over two years, and the defense force's hospital system and youth training ability would be turned to civilian uses.

Mr. Keys questions whether the savings will be as abundant as Mr. Mandela's advisers think. Part of the bargain that brought the congress to power is a promise to protect the jobs of white civil servants and soldiers.

Mr. Keys favors business incentives like tax-free, union-free "export processing zones" where companies could produce goods for sale to Europe and North America.

Mr. Naidoo strongly disagrees, seeing such zones as sanctuaries for "fly-by-night speculators."

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Herald Tribune

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Stiff Sanctions on Haiti

The Clinton administration has finally admitted that its Haiti policy is failing. President Bill Clinton announced on Sunday that America would cease sending Haitian refugees home without a hearing. The administration's most visible symbol, the U.S. special envoy, Lawrence Pezzullo, has been replaced by William Gray, president of the United Negro College Fund and former Democratic whip in the House. Mr. Clinton has refused to rule out the use of force to restore President Jean-Bertrand Aristide. And the UN Security Council has passed a U.S. resolution mandating stiffer sanctions to back up the current embargo on oil and weapons.

The president's increased resolve is welcome. But it would be disturbing if the administration's long and fruitless experiment with weak sanctions led to a premature military adventure in Haiti.

Real sanctions have never been given a chance. The oil embargo has affected only Haiti's poor, gasoline has been abundantly available in Port-au-Prince for those who can pay. Visas to the United States have been revoked for the military rulers, but their relatives have still been able to travel freely.

Before even thinking of military adventures, the administration needs to make life very uncomfortable for the Haitian elite. While pressing for stiffer sanctions in the United Nations, it can unilaterally cut off all air traffic between the United States and Haiti, both commercial and private (the resolution approved in the United Nations on Friday mandates a cutoff of noncommercial air traffic only), and eliminate all exemptions that have so far allowed some Haitian industries to continue exporting to America.

The administration can present three stark choices to the Dominican Republic, whose border with Haiti is the hemorrhage point for the oil embargo: Police the border efficiently, accept international help to police the border, or face a complete cutoff of all U.S. aid.

Such a policy should be accompanied by a definite deadline for Haiti's military leaders. Lieutenant General Raoul Cédras and Lieutenant Colonel Joseph Michel François, to allow Father Aristide to return.

Mr. Clinton's hand may be forced if he is unwilling to take such action. Legislation now before Congress would mandate even more. It would cut off all commerce with Haiti except humanitarian aid, ban all air traffic and forbid the repatriation of refugees against their will. It provides for sanctions against third countries violating these bans. It would require the United States to take a leadership role in the UN Security Council to have the same sanctions adopted by the international community, and calls for a multinational force to police the border with the Dominican Republic.

Some members of Congress have committed acts of civil disobedience, and the activist Randall Robinson staged a 27-day hunger strike to protest the administration's policy. The change in refugee policy is heartening. But in the long run, processing Haitians' claims may prove an arduous task and create even more pressure on the administration. In such an atmosphere, with emotions running high and with the White House beset by political problems at home, talk of sending in troops could prove tempting. But the president can best lead now by giving real sanctions a chance to work first.

—THE NEW YORK TIMES

Mexicans Need Disclosure

Six weeks after the assassination of Luis Donaldo Colosio, Mexico is gripped by endless theories of conspiracy. So far there is no solid evidence to support any of them, or any motive for the shooting. Since Mr. Colosio was the chosen candidate of the dominant Institutional Revolutionary Party, he was a very good bet to become Mexico's next president. The atmosphere in Mexico now is reminiscent of the period in the United States after the murder of President John Kennedy. Clearing up all doubts and questions quickly is impossible, and the country cannot simply dismiss the fears that some insidious plot is attacking the government itself.

The accused gunman, Mario Aburto Martínez, is a 23-year-old factory worker who was seized on the spot. The only strange thing about him is that there seems to be nothing strange—no violent history, no unusual political associations, no wild opinions. Along with several police investigations there is a presidential commission at work on the case. But it may discover, as the Warren Commission after the Kennedy assassination, that it is very difficult to prove convincingly a negative verdict that there were no plot and no accomplices.

At first the government asserted that the murderer was a loner. Then, a few days later, its special prosecutor dramatically announced

that there was indeed a conspiracy and he had arrested four further suspects. Within a week that claim began to fade as a judge released the most prominent of the four for lack of evidence. But last week in Tijuana, where Mr. Colosio was killed, the police chief was murdered by three gunmen who ambushed his car.

Two days earlier the police chief had told Tod Robinson of The Washington Post that some of the files on his own investigation of the Colosio assassination were missing. Perhaps there is a political conspiracy after all. Or perhaps the police chief, a reformer, was killed by the drug dealers whom he was pursuing. Or perhaps by men in his own police force whom he suspected of collaborating with criminals.

A political killing does great damage to even the most stable state. To limit that damage as far as possible, the American experience three decades ago argues powerfully that the Mexican investigative commission ought now follow even the slightest lead as vigorously as it can and promptly publish in detail whatever it finds. Full publication is essential, particularly in view of the closed and archaic nature of the Mexican system of criminal justice. This commission has the crucial job of reassuring Mexicans that nothing is being concealed from the public.

—THE WASHINGTON POST

Don't Blame Immigrants

Off and on since the great waves of immigration in the 1840s and 1850s, politicians in America have been tempted to explain whatever happened to be ailing the country at the time by blaming newcomers for causing all kinds of problems for which the native-born could not possibly have responsibility. Native-born voters often like to hear that sort of thing, which further encourages some politicians. The issue of immigration is surging again, and the battlegrounds are as varied as the California governor's race and the meeting rooms of the House Ways and Means Committee.

Take first Ways and Means. Last Wednesday the committee rightly voted down an amendment offered by Representative Rick Santorum, Republican of Pennsylvania, to deny Supplemental Security Income benefits to most legal immigrants who are not yet citizens. The amendment was even more important than it sounded because the effect of denying SSI benefits was also to deny Medicaid. This in turn raises the question of who would pay when a poor, legal immigrant walked into an emergency room with a severe illness.

The vote went the right way, but the margin was close, 20 to 16, with Representative Harold Ford, Democrat of Tennessee, abstaining. Three Democrats voted with the Republicans, but the most disturbing vote was Mr. Ford's. A liberal on many issues and the chairman of the welfare subcommittee, he threatened to join the anti-immigrant bloc. He was finally persuaded to abstain instead on the grounds that the issue of benefits to immigrants should be considered in the context of President Bill Clinton's welfare reform plan. Mr. Ford's position is a portent of how deep the anti-immigrant feeling runs.

In California, meanwhile, Governor Pete Wilson, a Republican, has partially resurrected his once sagging political fortunes with strong attacks on the federal government's failure to stem illegal immigration. Mr. Wilson has gone to court to demand that the feds

reimburse states (such as his) bearing a disproportionate share of the social service and health costs of illegal immigration that is the federal government's responsibility.

What Mr. Santorum is trying to do in Washington and what Mr. Wilson is saying in California would seem consistent. Exactly the opposite is the case. As the National Conference of State Legislators and the National Governors' Association pointed out, the effect of Mr. Santorum's amendment would be to increase the burdens on states with large immigrant populations. The amendment, said Raymond Scheppach, executive director of the governors' group, "would shift to states and localities millions of dollars in income assistance and health care costs now borne by the federal government."

There are legitimate issues to be raised about immigration, legal and illegal, and also about abuses of social programs by immigrants and nonimmigrants alike. But wholesale assaults on immigrants are not only wrong, they also lead to bad policy.

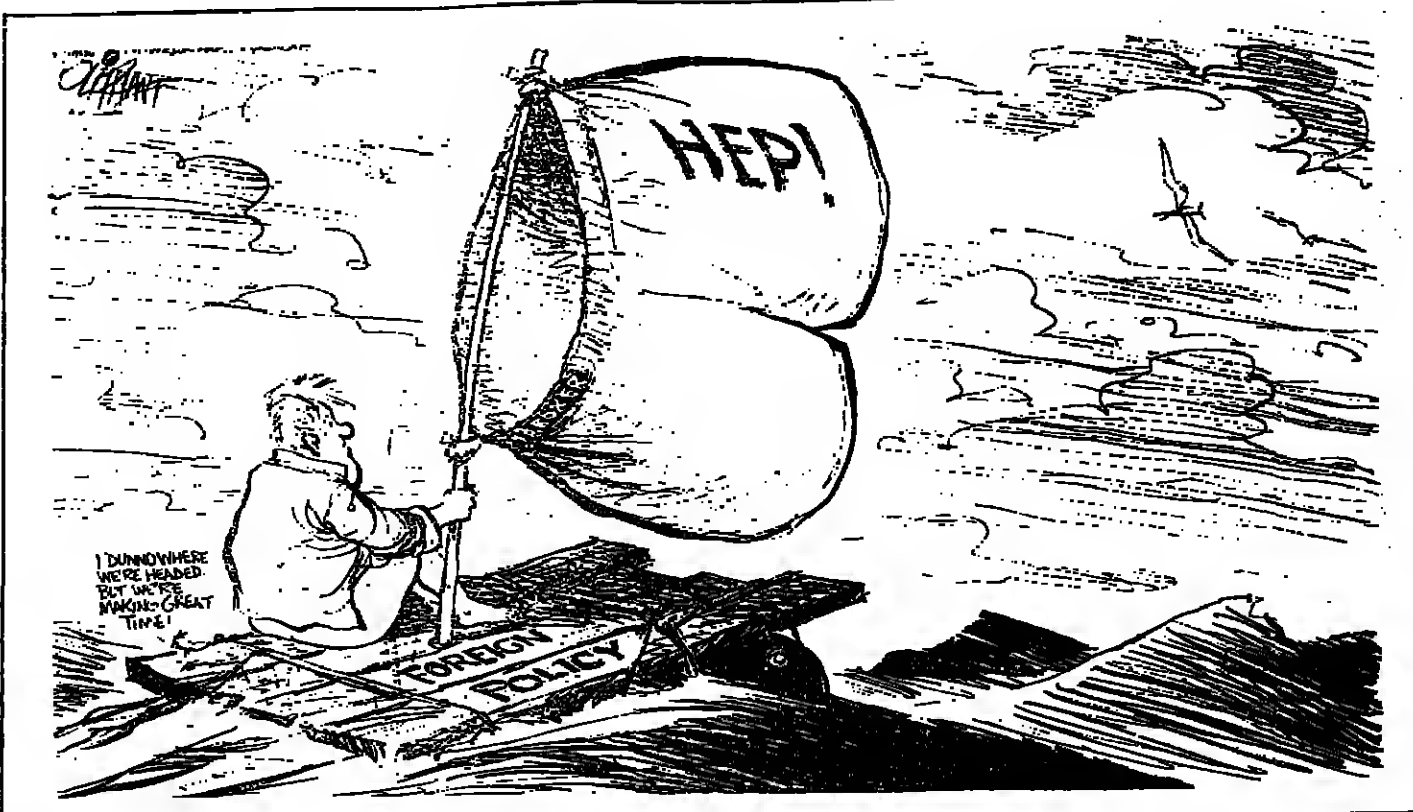
—THE WASHINGTON POST

Other Comment

A Blow to Japanese Aspirations

When will Japanese politicians understand that Tokyo cannot hope for Asian support in its efforts to become a global political player if it cannot bear the truth of what it did in Asia half a century ago? It would be strange for Japan to become a permanent member of the UN Security Council, founded on the ashes of fascism and imperialist defeat in World War II, arguing that the atrocities it committed did not occur. Surely, the role desired [for Japan] by ordinary Japanese is a peaceful and stabilizing one. If so, they are ill-served by the irresponsible statements of some of their leaders.

—The Straits Times (Singapore)



America and China: The Goal Is Human Welfare

By Robert W. Barnett

WASHINGTON — Even among dedicated Washington evangelists who want to place "human rights" at the core of the basic purpose of foreign policy there lurks secret discomfort about the prospect that Bill Clinton could wield the most-favored-nation sledgehammer to advance their moral intention in China.

A somewhat less secret discomfort over the sledgehammer possibility is growing in important quarters of Congress. American economists and business executives have been proclaiming something akin to outright terror that the president could even consider making a decision, however well intentioned, that would produce universally harmful consequences.

Unless President Clinton is provided with a new way to think and talk convincingly about China before June 3, either he or Congress may feel obliged to take action that would leave scars from which the United States, China and most of the world could not soon recover.

To justify terminating most-favored status for China, the United States would say that it could not allow itself to behave otherwise and still be moral. That "righteous" judgment would have been shaped largely by the vivid memory of "Tiananmen" on June 4, 1989, which remains fixed in the minds of American congressmen, newspaper writers and broadcasters. For many of those who watched the Chinese leadership slaughtering its children, what more was needed to confirm China's brutal propensity to smash innocent dissent? "Tiananmen" became a metaphor for Deng Xiaoping's China.

It is this Washington-fostered mind-set, President Clinton said, that should re-examine. Undertaking the exercise should lead him to remove thoughtlessly inflammatory code words from the vocabulary of the White House and from the private and public vocabularies of those most closely associated with Washington's China policies.

"Human rights" comes first. Then "dissidents." To begin subsuming "human rights" within the broader concept of "human welfare" need not require any retreat from the president's goal of democratic enlargement. Directing attention to "human welfare" would, however, bring into American dialogue with the Chinese acknowledgment of their historically unprecedented 10-year doubling of wealth and productivity for China's more than a billion people.

It would also establish the relevance to the dialogue of huge increases in individual mobility, choice and productive output of the Chinese people resulting from Mr. Deng's guidance of China from Mao Zedong's matrix of social order—egalitarian, disciplinary, autocratically introspective—toward the high-risk, often messy but widely liberating consequences of market orientation.

More change of vocabulary would signify for China American readiness to acknowledge its positive achievements, and in that context to be ready to exchange views not only on "human rights" but also on the two countries' differing approaches to a shared "human responsibility" to deal constructively with other social problems such as education, health care, homelessness, racial discrimination, drug abuse, criminal behavior—murder, robbery, rape—and needless pollution of the environment.

It may not be easy at first for Washington to understand that certain words really do have different meaning and resonance when heard by Chinese and when used among Westerners.

As to "human rights" those words have come to produce from Chinese instant apprehension that when Americans use them it will be the intention to demand that China bend to American moral hegemony. For Chinese, human rights emerge from the cultural memory, the history and the moral imperatives of a splendid

Western civilization. However, when Americans declare that "human rights" possess universal authority, many Chinese resent the implicit denial of space for making their own calculations of virtue and necessity within the framework of China's 2,500 years of highly moralistic teaching—Confucian, Taoist, Legalist and, yes, even Maoist.

It may come to many Americans as a surprise that "dissidents" in the Chinese vocabulary is not a synonym for "reformers." China's reformers seek improvement of the system without creating chaos. "Dissidents" would have us believe that the entire system must go. Dissidents are not loyal opposition.

When Americans describe China's treatment of dissidents as crimes which the civilized world cannot tolerate, many Chinese regard it as an intrusive challenge of the very legitimacy of China's government.

Many brilliant Chinese "dissidents" who fled from China after the Tiananmen tragedy began to analyze Mr. Deng's true motivation in allowing the tragedy to occur from the perspective, and with resources, of American universities. Had he betrayed the good of the Chinese people

so gravely as to have lost "the Mandate of Heaven"? Or had he bent, under stress, to harsh necessity in resorting to an ugly show of power, so as to sustain structural transformation of all of China, set in motion during the preceding decade?

Many of the most gifted of these children of modern China now recognize Mr. Deng's genius to have been to appreciate China's capability to achieve very rapid economic reform, as a precondition for moving on toward eventual political reform. These young analysts hope that Americans can share their admiration for China's far-flung reforms, particularly after perceiving the frightening potential inherent in any imitation of the Yeltsin model.

President Clinton's place in history is assured if he can persuade Congress and the American media that there is no compromise of American virtue in replacing a single-minded advocacy of "human rights" with a joint U.S.-Chinese quest to improve prospects for advances in global human welfare.

The writer was U.S. deputy assistant secretary of state for East Asia from 1962 to 1970; he is author of "Wandering Knights: China Legacies, Lives and Recollections." He contributed this comment to the International Herald Tribune.

Clinton Has a Strong China Card to Play

By Robert B. Zoellick

WASHINGTON — Bill Clinton's China policy, especially his linkage of the bilateral relationship to renewal of most-favored-nation status, has boxed him in. But bold action can extricate him.

Specialists on China from diverse disciplines and political backgrounds are nearly unanimous in warning of the consequences of failing to extend most-favored status to China. The business community is putting out long lists of the short- and long-term economic costs. Other nations in Asia, the most dynamic region in the world today, are warning Washington not to try to isolate China; they do not want to choose between China and the United States.

Mr. Clinton should take the time to explain to Congress and the public that America has strategic interests in China and that he has resolved to pursue them. He might point out that China's position is comparable to Germany's 100 years ago. As a rising power, Germany posed enormous challenges for its region and eventually the world. It is in America's strategic interest to engage China in the early stages of its ascendancy and integrate it peacefully into regional and global economic and security systems.

The president should stress that

America's purposes extend far beyond the economic opportunities that business people worry about. China influences international security through its permanent seat on the UN Security Council and through its proliferation policies. China is a power in Asia, with sway now in North Korea, in Cambodia and in the dispute about the Spratly Islands. In a few years it will determine the fate of Hong Kong, and it must resolve its future with Taiwan. China's policies toward the environment, narcotics and migration can overwhelm actions that other countries may take.

The president also should emphasize that the human rights of 1.2 billion Chinese are of great importance to Americans. He can note the adjustments that have been made in prison labor, humanitarian releases and emigration policies. He should explain that the best route for improving the lives of the Chinese is through opening their nation to the outside world. He could underline American efforts to promote this integration and exposure through business exchanges and information programs.

He should state that it no longer makes sense to place all these interests at risk through annual measurements of incremental changes in China's bureaucratic behavior. Instead, America's human rights agenda with China, as with the former Soviet Union, will be an ever present dimension of its continuing engagement.

The danger for the president now is that by trying to juggle statements, interests and facts, his administration will muddle through with half-measures and cobbled-together compromises. Partial approaches like higher tariffs for some goods or slightly higher tariffs for all goods will please no one and confuse America's message.

President Clinton needs to choose. Like the late Richard Nixon, he needs to act boldly and strategically toward China. This is his China card.

The writer was an undersecretary of state and White House deputy chief of staff during the Bush administration. He contributed this comment to The Washington Post.

Europe: The Institutional Debate Begins at Last

By Giles Merritt

This is the first of two articles.

BRUSSELS — Europe's moment of truth is fast approaching. Will it be capable of making decisions, or not? The European Union likes to present itself as a mature political entity developing along rational lines. Inwardly, its governments are in a ferment of doubt over its future.

The bland sounding issue of "institutional reform" is one that the European governments have been ducking for years, as it will make Europe or break it. Forget the newly ratified Maastricht treaty with its ambitions of still closer European integration and a single European currency to rival the dollar. Forget, too, the genuine achievements of the European single market. Until the collective decision-making question is resolved, the Union is going nowhere.

The problem that faces the Union is twofold. First, how can it streamline the process of decision-making now that more and more political choices have to be settled in Brussels? Under the present system of qualified majority voting in the Council of Ministers, a measure needs at least 54 votes of the 76 that are allocated to today's 12 member states roughly according to their size. But only a small proportion of decisions are reached by this method. Should it be greatly expanded to cover sensitive areas like foreign and economic policy?

Second, how should the majority voting system be adapted to suit the planned arrival in January 1995 of Austria, Sweden, Finland and Norway, and perhaps of Poland, Hungary, the Czech Republic and Slovakia in 1999? When the Union numbers 16 states, 11 of them will be smaller ones and the arithmetic of majority voting becomes hard to justify. Eight of the smaller countries, representing just 12 percent of the Union's population, could in theory form a blocking minority in the council.

The newcomers are not certain to arrive on schedule, but the die is cast. Pushed chiefly by Germany, the Union has decided that it can be neither a state organization nor a "rich men's club" made up only of West Europeans. It is to pursue the difficult twin goals of widening, to bring in Scandinavia and the Central European states, and deepening of its political integration so as eventually to be some sort of United States of Europe.

Seen from outside Brussels, the Union looks fairly coherent, at times even intimidatingly united. The truth is somewhat different. The Council of Ministers is a bottleneck that all too often blocks adoption of useful EU-level regulations for indefinite periods while governments squabble and bicker. "It's a zoo," was the candid comment of an American journalist speaking at a recent conference here.

Strictly speaking, the thorny matter of overhauling the Union's creaky decision-making mechanism is not due to be addressed until 1996, when politicians and officials will look into it in the framework of the planned Intergovernmental Conference. But in fact the debate on decision-making has already started. Last month the British government, with lukewarm support from Spain, opened the Pandora's box by seeking change in the present arrangement for qualified majority voting in the Council of Ministers when and if Austria, Sweden, Finland and Norway join.

The British challenge to a decision that would reinforce the voting weight of the smaller EU countries was tactically ill-judged and ended in a humiliating climbdown. But it acted as a starting pistol for a Europe-wide debate on the future of EU decision-

making. In that sense, Britain has performed a valuable service. Voting arrangements are too far-reaching an issue to be left to the Union's more customary process of secretive behind-the-scenes negotiations.

EU governments so far have a lamentable track record on the decision-making issue. The leaders of the Twelve were to have confronted the problem when they met in Lisbon almost two years ago. But that summit was dominated by the growing backlash against the Maastricht treaty triggered by Denmark's "no" vote in its June 1992 referendum.

The Lisbon summit therefore ignored the European Commission's warning that enlargement of the Union to 16 member states could overload decision-making to the point of paralysis. It was decided at Lisbon to press ahead with the enlargement without altering the majority voting system. The 1996 Intergovernmental Conference, the summit agreed, would tackle the issue root and branch, along with such other key questions as the future powers of the European Parliament and the role of the European Commission.

The Lisbon decision reflected a reluctance to confront so divisive a problem. As the present system deliberately overloads population sizes, the degree of power that have acquired a degree of power that they are unlikely to surrender without a struggle. Belgium's foreign minister, Willy Claes, an articulate spokesman for the smaller member states, has spelled out what he feels their price should be.

"Only a very integrated decision-making structure," he warned, would persuade them "to relinquish some of their present advantages." He floated

the idea of a new executive body that would operate alongside the Commission and have responsibilities in areas like peacekeeping, non-nuclear disarmament and international environmental policy. He also suggested that the European Parliament be given some revenue-raising powers.

In short, the smaller countries are thinking about institutional reform in terms that many will see as alarmingly radical. What Mr. Claes is saying is that smaller countries should be protected from the bigger ones through the creation of a strong supranational EU system of government.

The writer was an undersecretary of state and White House deputy chief of staff during the Bush administration. He contributed this comment to The Washington Post.

Waffling On Bosnia: Just Words

By Anthony Lewis

BOSTON — Bill Clinton is under heavy attack these days for his handling of foreign policy. The reason why was perfectly demonstrated last Tuesday in his appearance on CNN's "Global Forum."

As a performance it was impressive. President Clinton is never at a loss for words. But when he was asked about the war in Bosnia, the flood of words revealed a confusion of substance, an emptiness of will.

The president assured a representative of Serbian television that the United States was not going to take sides in the war. We had told the Bosnians, he said, "that they should not look to us to change the military balance on the ground and that there has to be a negotiated settlement."

When Christiane Amanpour of CNN asked whether his "constant flip-flops" on Bosnia would not encourage aggressors elsewhere, he replied testily, "There have been no flip-flops, Madam." Calling it "a civil war," he said: "I don't think you can say that the world community... should have intervened on one side or the other."

The fecklessness of those comments is staggering. Aggressor and victim are morally equivalent. The world community is powerless to stop aggression. The answer is to apply pressure for a "negotiated settlement," when an arms embargo denies the victims weapons, and pressure can only mean pressure on them to capitulate.

Here is how Mr. Clinton could have answered:

"A sovereign state, recognized by the world community, is under attack from forces encouraged and supplied by another power. This is not a civil war but a war of aggression, planned and launched from outside Bosnia although using the Serbian minority within it. The legitimate government of Bosnia has every right to call upon our assistance in defending its territory."

That reply is not one I imagined. It is a passage from an article by Margaret Thatcher that appeared on this page last Thursday.

Mrs. Thatcher gives us no slippery euphemisms, no moral equivocation. She sees what has happened and says so. She means what she says.

Moreover, she will go on meaning it. She called for bombing of Serbian forces and supplies in 1991, when the Serbs attacked cities in Croatia. She took the same position when the Serbs began their genocide of Muslims in Bosnia. If her advice had been followed in the first place, the aggression would have ended before the Bosnian tragedy.

President Clinton could have said, when he took office, that the situation in Bosnia was terrible but that it was too late or too difficult or too dangerous for the United States to get involved. Or he could have carried out what he suggested in his campaign and resolutely pushed through NATO a serious program of action to stop the Serbian aggression.

What he has done instead is to condemn Serbian acts of cruelty while insisting that America is neutral, deplore Serbian advances in weaponry while doing nothing to stop the flow of those weapons, boast of using NATO air power while using it so feebly that it has no effect and meanwhile the Serbs consolidate the gains of their aggression, making a decent peace ever less likely.

In a state of such intellectual confusion, there can be no policy worthy of the name: a consistent, committed American position that others will believe and respect. The Clinton policy certainly does not impress the Serbian leaders. Nor is it likely, as Christiane Amanpour said, to restrain the Kim Il Sungs of this world.

The waffling and confusion that mark what President Clinton has done in Bosnia are there also in regard to Haiti and North Korea. Why? It is not lack of acuteness. Mr. Clinton is the smartest man in the White House in years.

Perhaps he really believes that reassuring words are enough—that he can save his liberal conscience by gestures to Bosnian victims, for example, while keeping the real problem of Serbian aggression at a distance.

Or perhaps he thinks Americans are so overwhelmingly concerned with themselves now that a feeble foreign policy will not hurt him politically. If so, I think he is quite right. A voice of authority will see as alarming. What Mr. Clinton is saying is that smaller countries should be protected from the bigger ones through the creation of a strong supranational EU system of government.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Imperial Fireman

BERLIN — Not a little sensation has been caused by the appearance of the Emperor in a new quality of fireman. The village of Gatow, the scene of the incident, is on the Spree, between Berlin and Potsdam. When His Majesty, on observing a fire, stopped the steam yacht on which he was passing and landed all hands to assist, he at once took command of the operations. The crew and civilians formed chains to pass water in buckets to the hand engine, while the Emperor and a general took possession of the hose and turned a stream of water on the burning building. Not until the arrival of the fire brigades did the Emperor abandon his efforts to master the fire.

1919: Red Cross Activity

PARIS — At a dinner given last night [May 9] at the Hotel Ritz for the Board of Governors of the League of Red Cross Societies, an announcement was made by Mr. Henry P.

Davidson, chairman of the board, for the future plans of the League. The headquarters will be established within a few days in Geneva. The purposes of the League, which are recognized in the Covenant of the League of Nations, are the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

1944: Fall of Sevastopol

LONDON — [From our New York edition:] Premier Marshal Stalin announced early today [May 9] the capture by storm of the Crimean fortress port of Sevastopol after a 254-day siege in which thousands of Axis troops died at their hands. The city was the last of the Crimean peninsula to be liberated. After a final three-day assault on the exhausted Axis garrison, two big Russian armies for the major mainland offensive campaign in conjunction with an invasion of western Europe.

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OPINION

An Improved 'Bay of Pigs' Option Could Work for Haiti

By William Safire

WASHINGTON — Here is my secret plan to avert a flood of Haitian refugees seeking political asylum, to reassert the credibility of America's power in its sphere of influence, and to bring parliamentary democracy to the Western Hemisphere's most oppressed nation — without the use of U.S. ground troops.

Can't be done, you say? Certainly it will not be done by following the increased-asylum plan that President Bill Clinton announced Sunday.

Concocted to lessen criticism from black leaders in the United States, his plan is to (a) impose an economic blockade to make civilian Haitians miserable enough to rebel against the army; (b) pick up refugees at sea for interviews aboard U.S. ships, thereby encouraging more to seek political

asylum, but turning back the majority as economic migrants; and (c) make veiled military threats with no intention of, or support for, carrying them out.

That last element of the Clinton approach — pretending to flex military muscle — was expressed last week in the most naïf, nihilistic, pusillanimous "threat" ever uttered by a president of the United States: "We are doing our best to avoid dealing with the military option."

Mr. Clinton's entreaties to the Haitian general and police chief fall on deaf ears because no real military threat exists; expending U.S. lives in save Haiti ranks low in the poll ratings that drive Clinton foreign policy. Needed is a counterforce that does not now exist.

My plan is known as "the Bay of Pigs option." Three decades ago, that place became synonymous with the word "fiasco." The CIA secretly trained a military force of Cuban refugees in Florida and transported them to a Cuban beach to help topple Fidel Castro. But when the decision came to provide the invading force the close support of air cover, President John Kennedy flinched, local up-

risings never materialized, and the anti-Castro Cuban patriots were killed or captured. Worse than a tragedy, it was an embarrassment.

Just because the intervention spawned in the Eisenhower administration failed dismally then does not mean that the notion of retaking an island by a force of its refugees can never work.

Washington can learn from past tactical mistakes. Where the Bay of Pigs was a secret enterprise, run by CIA covert operatives who knew little about military operations, the Haitian Legion should be widely publicized, its training and equipment a challenge to the Defense Department.

Of the nearly 200,000 Haitian refugees already in the United States, could not a few thousand able-bodied young men be found to volunteer to fight for their country? I suspect that there are more than that many patriots among them, and that, given the training and equipment, a serious, substantial force could be assembled.

Every American who went from soft draftee to soldier in three months of basic training knows the transformation possible.

Add that three months for development of natural leaders into noncommissioned officers, with simultaneous indoctrination of democratic

procedures, and by year's end offshore Haitians would have a proud, fierce, battle-ready unit — better equipped and trained than Haiti's.

Then you put them on U.S. warships, backed up by an aircraft carrier loaded with helicopter gunships, sail into Port-au-Prince — and see what effect all that has on the band of hoodlums on the dock who chased U.S. forces away before.

Even if the Haitian junta shows up with a larger armed force, the sight of oncoming landing craft backed up by an overwhelming show of tactical air power would contribute to a new willingness by the tinhorn generals to restore democracy and hold new, OAS-supervised elections.

The object is to avoid a bloodletting with a credible show of force — and not a Yankee force in front, but a Haitian Legion ready to fight and trained to form a disciplined post-crisis constabulary. This plan will place stress on the Pentagon and is not foolproof; care must be taken to see that the legionnaires do not become a new junta. But it would instill pride and self-reliance, reverse the refugee flow, and generate popular support.

What is the Clinton alternative? Ever more refugees — a fiasco.

The New York Times

Who Does She Think She Is? A Chat With Hillary Clinton

By Anna Quindlen

NEW YORK — In a suite at the Waldorf as big as all outdoors, Hillary Rodham Clinton sits on a sofa and talks about Whitewater, commodities trading, her daughter, her friends, why most men favor long hair and whether she should give regular press conferences at the White House.

"I can see people saying, 'Who does she think she is, having press conferences,'" said Mrs. Clinton, whose com-

\$1,000 into nearly \$700,000 in the volatile commodities markets. And she went on "Larry King Live" and faced questioning about allegations by Paula Jones, a former Arkansas state employee, that the president, while governor, had sexually harassed her. Mrs. Clinton, who normally speaks in cogent paragraphs, replied with the negative scrumptious "uh-uh" when asked if the charges upset or bothered her.

It has been difficult sometimes not to believe that she has modulated her behavior to make her strength unthreatening, that in terms of image she is still veering between making policy and making cookies; the seated posture and pretty-in-pink sweater at the press conference, the trip around the aisles of a Safeway store last week pushing a cart.

She denies the calculation or the contradictions. She says the sweater went with the longer skirt she chose because her shorter ones would have made for potentially embarrassing camera angles.

MEANWHILE

version is now liberally larded with anticipated objections to the way she leads her public life.

It has been a difficult time in the difficult life of the woman who calls herself "a transitional figure" in America's political mythology. She gave a press conference in which she denied knowing of anything untoward in the transactions that enabled her to turn

"And you can't do something as simple as going to a store without it being a major production."

And it is not great talking to reporters who wonder whether there was something fishy about her trading profits.

"I hear it all the time," she said, "but I don't hear it from people who know about the commodities market in 1978-79, when clerks in back offices were making more money than I made."

She says she and her husband invested through friends, Jim McDougal in the Whitewater development and James Blair in commodities, because they were confident that "these were people that we didn't believe would ever take advantage of us in any way."

She says it is ridiculous to think that her successful trades were linked to Mr. Blair's position as counsel to Tyson Foods, Arkansas's biggest business: "A year after I did it, Tyson Foods was supporting my husband's opponent in the 1980 gubernatorial election."

"I believe that I have created a lot of cognitive dissonance in the minds of people who are comfortable with the stereotypes," she said. But, unlike some of her supporters, she will not explain away criticism as sexism. And she says she is not trying to have it all.

"But I do want everything that I want," she said flatly. "I want to be who I want to be and I don't want to be told I can or cannot do something that is natural and part of my life."

As she always does, she sounds intelligent and straightforward. If she is assembling about the couple's investments, she does it unconvincingly well.

She laughs often and easily. Three times she seems prickly. Once she said, "I'm not going to trump my daughter around and exhibit her like some prized possession so that other people know how much I care about her."

Noting her concern that her press conference fell unexpectedly on the day of a NATO ultimatum to the Serbs, she said, "It proved that I didn't know what was going on in foreign policy, so put that to rest. I wasn't sitting in the meetings, and I don't know what NATO was going to do."

And of the furor about her investments, she concluded, "I now know that anybody can say anything."

The New York Times

How to Restore Public Confidence in the Necessary Art of Peacekeeping

By Chester A. Crocker

WASHINGTON — A backlash against UN peace operations is being felt in America. It has gone beyond the obvious fact that the United Nations was ill-prepared for this post-Cold War explosion of assignments.

The mood has turned ugly as an inexperienced U.S. administration is charged with over-reliance on a United Nations whose "failures" appear more dramatic than its successes.

Gone is the 1992-1993 euphoria over a new, more assertive and, if necessary, more muscular multilateralism. From former Yugoslavia, UN officials slam American leaders as "timid and tentative" while top U.S. officials publicly remind them who pays their salaries. It is not an uplifting spectacle.

If we Americans continue to squander our authority and credibility at this pace, a historic U.S. opportunity — to lead the way toward the next international system — could be lost. And if it is lost, there is always the law of the jungle.

This is the backdrop for assessing the long-awaited peacekeeping strategy paper signed by President Bill Clinton last week. In it the administration declares its continuity with the policies of previous administrations and its sober aim of ensuring "that our use of peacekeeping is selective and more effective."

To counter charges that the White House is turning U.S. foreign policy and armed forces over to feckless UN bureaucrats, the report recounts many things that the administration is not proposing: any impairment of U.S. unilateral military options, any form of a standing UN army or earmarking of U.S. units for UN operations, any expansion of "either the number of UN peace operations or U.S. involvement in such operations."

The shift in tone is striking. A few years back, UN peace operations were a growth industry. There are now more than 70,000 UN helmets participating in 18 UN peace operations at a cost of more than \$3 billion a year.

This sudden expansion coincided, it should be noted, with the Bush years. During the 1992 presidential campaign, Bill Clinton seemed to raise the ante, proposing a "UN Rapid Deployment Force" to guard the borders of threatened lands, to protect and feed civilians in civil war and to combat terrorism and drug trafficking.

But up to now, U.S. "policy" toward UN peace operations has been a haphazard patchwork of funding shortfalls and financial threats, basic ignorance of the relationship between peacekeeping mandates and the resources required to carry them out, periodic bouts of UN bashing and a pervasive reluctance to recognize the political effects of U.S. conduct on others who may be engaged in (or targets of) UN peace operations.

These unhappy facts lead even America's friends to question U.S. competence in shaping security mechanisms.

Critics of the Clinton administration's record are on shaky ground if they point simply to continuing humanitarian outrages (as in Rwanda) or unresolved violent conflicts (as in Sudan). They are on safer ground, however, when they cite American military proposals that serve only to feed false hopes on one side and destroy U.S. credibility on the other (Bosnia). And they are right to protest when the administration is not proposing: any impairment of U.S. unilateral military options, any form of a standing UN army or earmarking of U.S. units for UN operations, any expansion of "either the number of UN peace operations or U.S. involvement in such operations."

How would the Clinton strategy paper deal with this disparity? The list of proposals to strengthen UN capabilities is a solid, if hardly visionary, program that could, over time, make a substantial difference. Especially important will be steps to strengthen planning, intelligence, logistics and command-control communications capabilities of the UN Secretary-General's Department of Peacekeeping Operations, as well as modest steps to create a UN quick-response capacity.

The strategy paper offers criteria for deciding which peace operations to support in the Security Council and which

ones America should participate in militarily. It establishes a checklist of questions to be asked — relating to whether UN involvement would advance U.S. interests; the occurrence of international aggression, humanitarian disaster, disruption of "established democracy" or gross human rights violations; whether the objectives and mission are clearly understood and realistic criteria for ending the operation are in place; whether inaction is "considered unacceptable."

If U.S. troops are to become engaged, the list includes the risks to American personnel, whether U.S. participation is essential in success, the presence of acceptable command and control arrangements, the prospects for public and congressional support, and, if major U.S. forces are likely to face combat, whether there is a plan and a commitment to achieve a decisive outcome.

This is a commonsense list that could help to guide policy deliberations in Washington and New York — provided, as the paper states, that decisions will rest on the "cumulative weight of the factors." The last thing we need are mechanical formulas and rules.

None of this package is dramatic; it should not be stirring partisan passions. Nor can anyone argue with the proposed reduction in the U.S. assessed share of the peacekeeping budget from 31.7 to 25 percent (America's share of the regular budget) by the end of 1995, while Washington continues to press for "dramatic" administrative and management reforms.

And it is good to see the strategy paper endorse the concept of a unified, annual peacekeeping budget for all operations and an enlarged revolving reserve fund (\$500 million) funded by voluntary contributions.

The report deals with the emotive question of command of U.S. forces by restating the president's unbroken chain of command to the lowest commander in the field, while noting that U.S. forces may be placed under the operational control of foreign commanders for specific purposes and that unity of command must be maintained in the field.

The peacekeeping review, however, reads as if the primary problems have been administrative and managerial. In fact, the fundamental questions remain political and strategic: What national interests does the United States now

consider important enough to put its political will behind and commit American forces to? Is the United States capable of guiding the evolution of UN peace operations toward what Mr. Clinton described in December 1991 as "a new national security policy that builds on freedom's victory in the Cold War?"

It is ironic that Somalia should have ominously over these deliberations. Somalia has become a grossly inaccurate metaphor for foreign policy debacle, a prime exhibit among the litany of reasons cited for doing nothing serious to check the Bosnian Serbs or other aggressors.

Yet a larger humanitarian tragedy was what was needed to knock a costly, stalemate war off dead center and open up the field for fresh political initiatives to be worked out by Somalis.

The "failure" in Somalia was not, in fact, a failure of either humanitarian intervention or muscular peacekeeping. It was a failure to apply them steadily and wisely. Much was accomplished

during the U.S.-led phase (December 1992 to April 1993), but it was promptly placed at risk when the second UN-led operation took over amid jarring discontinuities of leadership, tradition, military doctrine, operating procedures, command and control, policy instincts and bureaucratic systems.

We should try to learn from the errors of U.S. and UN policy management in Somalia. George Bush was right to launch Operation Restore Hope and Bill Clinton was right to support that decision. It is not useful for Americans narrowly to confine their understanding of "the national interest" to defense of the homeland, access to oil, security of lines of communication or control of key industrial assets. There are categories of national interest that relate to global order (such as sanctity of borders) and to global standards (mass humanitarian catastrophe) that need to be recognized.

U.S. security policy cannot declare the world's bad neighborhoods as "off limits" for humanitarian peace operations. The real issue is whether humanitarian intervention is likely to be effective at an acceptable cost.

We also need to know more about successful exits from humanitarian interventions. The act of intervening, assuming it is done effectively, has a decisive impact on the local balance. By stopping the factional strife, it frees in place the military situation, deactivating the initiative to the stronger and restoring for a time the weaker.

But what will replace this new status quo? We must think not only about exit strategies but also about how peace operations will bridge into a political settlement strategy so that something more durable can emerge. In Somalia, the United States "solved" this one by a quick hand-off to the United Nations, evading the problem of a UN exit strategy under a vastly expanded mandate.

The administration's new strategy paper calls for avoiding "open-ended commitment" (as in Cyprus) and for terminating peace operations not effectively linked to "concrete political solutions" (as in the Western Sahara operation). But in some cases, the linkage will have to be to future peacekeeping. If America makes political solutions the precondition of military action, it is only repaying its Bosnian disgrace.

The linkage between UN peacekeeping mandates and the resources made available by member states simply must be better understood by Security Council members who approve these missions. There can be no excuse for approving grandiose UN missions (as the Clinton administration did in Somalia) that expose peacekeepers to severe risk and the United Nations itself to ridicule and discredit. It is irresponsible and dishonest for American commentators to blast "the UN" for problems arising from ill-conceived or poorly drawn mandates. We need forcefully to remind ourselves that the Security Council is a mirror of the actions, intentions, fudges and fantasies of its leading members.

The writer, a research professor of diplomacy at Georgetown University, was assistant U.S. secretary of state for African affairs from 1981 to 1988. He contributed this column to The Washington Post.

DOUGLAS V. ELLICE JR.

Paris

LETTER TO THE EDITOR

D-Day: Liberty and Death

Regarding "Invite Germans to Normandy, for Europe's Sake" (Opinion, April 23) by Dominique Moïsi and Karl Kaiser and "The Untimely Exclusion of Germany and Russia From a Friendly Fête" (May 2) by Zbigniew Brzezinski:

Dominique Moïsi doesn't get it. And Zbigniew Brzezinski seems not to understand either. The 50th anniversary of the invasion of Europe is not to be a low-key run by and for postwar politicians.

Now, there is one problem with discussing what June 6, 1944, "ought to be." Each of us is entitled to whatever celebration he or she wants. I may wish to quietly remember the fallen, while you may wish to loudly celebrate the beginning of the end of the war and the resulting birth of a peaceful and fraternal Europe. Neither of us can be said, in the abstract, to be "wrong."

But the real world is not abstract, and this event has a real center of gravity. That essential core is formed by the tens of thousands of living Allied veterans,

and, to an only slightly lesser extent, those French of "a certain age" resident in Normandy. Those who are alive mostly wish to remember the dead, not to celebrate "Europe." A touching article in *Le Monde* a few months ago began fittingly: "Liberty. Nothing less. Liberty arrived from the sea that morning."

"Liberty" arrived from the English Channel that morning in 1944, not "Peace," not "Brotherhood," and not "Europe." Liberty was accompanied, as usual, by Death. Let us remember.

The very real friendship between the France of today and the Germany of today deserves to be recognized. But this friendship, the value of which no one disputes, was not born on June 6, 1944; it was not created by the Allied forces who fought and died on that day. It is the creation of the postwar peoples of France and Germany who built it and nurture it today. Let them celebrate the friendship they created. But let them celebrate it another day, in another place.

DOUGLAS V. ELLICE JR.

Paris

BOOKS

A REBEL IN DEFENSE OF TRADITION: The Life and Politics of Dwight Macdonald

By Michael Wreszin. 590 pages. Illustrated. \$30. Basic Books/HarperCollins.

Reviewed by Christopher Lehmann-Haupt

SEVERAL decades ago, The New York Review of Books ran an essay on Dwight Macdonald, the American social critic, under a headline that read, "He's All Dwight!" After reading Michael Wreszin's engaging new biography, "A Rebel in Defense of Tradition: The Life and Politics of Dwight Macdonald," one is tempted to write as a headline, "He's All Dwight!"

To judge from Wreszin's account, Dwight Macdonald (1906-1982) had a remarkable ability to reason himself into faulty conclusions. He even carried with him impressive testimonials to that effect.

He liked to boast that no less than Leon Trotsky had said or written to an associate, "Every man has a right to be stupid on occasion but comrade Macdonald abuses it."

And after Macdonald had editorialized in defense of Ezra Pound's right to win the Bollingen Prize for

WHAT THEY'RE READING

• Richard Hodges, archaeologist and director of the British School at Rome, is reading "Murdoch," William Shawcross's biography of Rupert Murdoch.

"Shawcross portrays remarkably well a businessman who is both a romantic and a complete global adventurer. The result is utterly enthralling."

(Roderick Conway Morris, *IBT*)



Poetry in 1949, Pound won Macdonald's affection by writing him to say that Macdonald was "certainly one of the most important poets that ever reached a typewriter."

More seriously, Wreszin writes that in 1939, after Germany and Russia had invaded Poland, Macdonald declared himself opposed to American intervention in a European war on the grounds that it would bring a fascist totalitarianism to America. He had faith, "religious in its intensity," Wreszin writes, in "a revolutionary uprising of the masses" in the capitalist democracies.

Although fiercely anti-Stalinist, his response to the dawning of the nuclear age and the Cold War was to reject the last vestiges of his Marx-

ism and embrace nonviolent pacifism "as an activist political stance."

And when he eventually recognized that such a position was untenable in the face of Stalinism, he retreated to what Wreszin describes as an "anarchic libertarianism" whose main feature was concern that American high culture was in danger of being debased.

Yet despite such wrong turns and self-contradictions, Dwight Macdonald emerges as a hugely appealing figure in these pages. Wreszin lends sense somehow to every step in his subject's sometimes erratic reasoning.

A professor of history at Queens College and the Graduate Center of the City University of New York, he even makes a poignant

drama out of Macdonald's gradual loss of faith in 19th-century determinism and his embrace of what he called "those non-historical Absolute Values (Truth, Love, Justice)" which the Marxists made unfashionable among socialists.

In this account, Macdonald was ever after torn between being the cultural critic who on the one hand would write marvelously witty attacks on what he saw as the destructively leveling effects of the Revised Standard Version of the Bible and Webster's Third New International Dictionary. On the other hand he could support the insurgent students during the Columbia University uprising in 1968 and later solicit contributions to Students for a Democratic Society.

What Wreszin fails to explain satisfactorily is the source of the division in his subject between social rebellion and cultural elitism.

He makes a pass at psychobiography by suggesting that Macdonald revolted against his socially proper mother while identifying with his soft, impractical father, who died of a heart attack when Macdonald was a sophomore at Yale. But Wreszin, who presents Macdonald as a schoolboy aesthete who read voraciously at Exeter and Yale, doesn't explore this subject in any depth.

You find yourself wondering about the deeper faults in Macdonald's being. Why was he unable to sit down and write a book "in cold blood," as he put it? What led him to be forever distracted from writing at length, and, in the last decade of his life, to be completely blocked?

Why did he have such contempt for his second wife, to the point where he once physically assaulted her for pronouncing Joseph Conrad boring? And what about the huge amounts of alcohol he drank? Did any of these flaws reflect the nearly absurd divisions in his being? Although Wreszin lets us glimpse these darker sides of his subject, he fails to make them part of the whole.

To the book's benefit, the appealing side of Macdonald outweighs one's puzzlement over his divided nature. You can't help but miss his willingness to stick his neck out even when all around him were wailing axes, and then to admit error openly whenever he decided that he was wrong.

As an antagonist of cultural trash his judgment still seems unerring; his critical prose remains witty, elegant and incisive. And so often his conduct feels right, even when its implications are dubious.

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

JOEL LAUTIER faced Garry Kasparov in the final round of the Linares International Tournament. In the old days, when a game began with the Giuoco Piano, 3...Bc5, there might have followed the Evans Gambit with 4.b4 Bb4 c3 Bb3 6.d4 7.O-O.

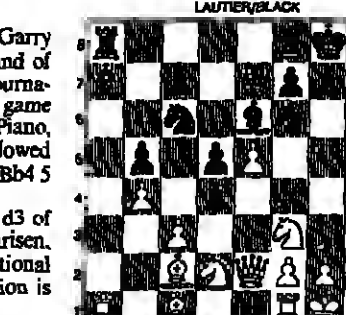
Today, the conservative 5.d3 of the Giuoco Pianissimo has arisen, slowing the game to a positional pace in which the major action is postponed to a later stage.

Both players delayed kingside castling in favor of 0-0-0. Only after 11.b4, d5 12.a4 b5, when neither king would be safe on the queenside, did 13.O-O-O take place.

Lautier could not well answer Kasparov's sharp 15.d4 with 15...d2? because 16.Ne4 d7 17.Qb5 Bd7 18.Nf6 Qf8 19.Qd3 Qg6 20.Qg2 f2 21.b5 Ne7 22.Bd4 c6 23.Ne5 Bc8 24.b6 wins for White. In 16...Bc4 is also bad because of 17.Nf6 Qe7 18.Qd8 Rf8 19.Rel Kf8 20.R7 R8 21.d5 Ne7 22.Ne5 Rd8 23.Nd4 Qd8 24.B4 Qd7 25.Qh7 Bd5 26.Qh8 Ng7 27.Nf6 g7 28.Bh6 mate.

Lautier saw through this and played 15...d3.

Lautier discovered an ingenious resource: giving up a knight for four pawns with 16...d2! 17.Qf6 18.Nh3 Nb4. After 19.Bh1 d4!, he



Position after 16 moves

threatened 20...Bb3 as well as 20...Bc4.

Kasparov might have tried 20.Qb5, but 20...c2 (20...Rf8 21.R7! Rb5 22.Ra8 wins outright for White) 21.Qb4 c2 22.Rb1 Rf8 23.Qd2 Qc3 24.Rb2 Qd3 25.Nb4 (25.Nd2 Qc3 26.Qa5 Bb3 27.Qc2 d8 Rb3 c2 29.Rb8 Rb8 30.Bd2 yields black a pawn-ahead endgame) 25...Qa2 26.Rb8 Bb7 27.Ra3 puts Black into a pawn-ahead endgame. Kasparov sacrificed rook for bishop with 20.R7. But Lautier played 20...c2!, looking forward to 21.Bc2 R7 22.Rd1 Bc4 23.Qe4 d5 24.Bd3 Nc3 25.Rd3 Bc3 26.Qd3 c6, which would yield Black two rooks plus two pawns for minor pieces.

To escape that, Kasparov chose

21.Ra8 e4 22.Rf8 Kf8, perhaps intending 23.Bg5. But this would have led to 23...Qf5 24.Nb4 Qe4 25.Bc7 Kf8 26.Qc2 Qe7 27.Qb4 Bb3 28.g3 Bb1 29.Qf1 Qb1 30.Qb1 Qb1 31.Kg2 Qe4, where the Frenchman would have a winning queen plus three pawns against two knights and a bishop.

So he tried the desperate 23.Qb5 Qb3 24.Qb8 Kc7 25.Qc7, but 25...Kc8 26.Bd2 Qd7 27.Qc5 Kf8. Lautier eluded perpetual check.

After 28.Nd4 Nc3 29.Qc3 Qc4, Kasparov, with only a rook for Lautier's queen, gave up.

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SUMMIT PROGRAM

WEDNESDAY, MAY 11

Moderators:	He Guanghui, Acting Vice Chairman, State Commission for Restructuring the Economic Systems (SCRES) Richard McClean, Chief Executive and Publisher, International Herald Tribune (IHT)
09:00	WELCOMING ADDRESS Li Tieying, State Councillor and Chairman, State Commission for Restructuring the Economic Systems (SCRES) Richard McClean, Chief Executive and Publisher, International Herald Tribune (IHT)
09:10	CHINA'S ECONOMIC DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION Li Lanqing, Vice Premier, People's Republic of China
09:40	GLOBAL MULTILATERAL TRADING SYSTEMS: THE ROLE OF THE PRC Peter D. Sutherland, Director-General, GATT
10:10	Question and Answer Session - Peter D. Sutherland
10:20	Morning Coffee/Tea
10:50	CHINA'S ECONOMIC REFORM AND THE ESTABLISHMENT OF THE SOCIALIST MARKET ECONOMY Li Tieying, State Councillor and Chairman of SCRES
11:30	Question and Answer Session - Li Tieying
11:45	PANEL SESSION: THE FOREIGN PERSPECTIVE ON CHINA'S ECONOMIC REFORM AND ECONOMIC POLICY Goh Keng Swee, Former First Deputy Prime Minister of Singapore Vincent Tan Chee Yioun, Group Chief Executive Officer, Berjaya Group Berhad T. T. Tsui, Chairman, The New China Hong Kong Group Hubert de Mestier, Chief Representative North-East Asia, TOTAL
12:15	LUNCHEON Special Address: Wang Zhongyu, Chairman, State Economic and Trade Commission (SETC)
14:00	THE SOCIALIST MARKET ECONOMY OF THE PRC: THE ASEAN PERSPECTIVE Mahathir bin Mohamad, Prime Minister of Malaysia
14:40	Question and Answer Session - Prime Minister Mahathir
15:00	STATUS QUO AND THE FUTURE DEVELOPMENT OF REFORM IN CHINA'S PLANNING AND INVESTMENT SYSTEMS Gui Shiyong, Vice Chairman, State Planning Commission
15:30	Question and Answer Session - Gui Shiyong
15:45	Afternoon Tea
16:15	REFORM OF THE ENTERPRISE MANAGEMENT SYSTEM OF THE PRC Wang Zhongyu, Chairman of SETC
16:40	Question and Answer Session - Wang Zhongyu
17:00	Close Day One
18:30	COCKTAIL RECEPTION AND DINNER BANQUET HOSTED BY THE CHINESE GOVERNMENT (GREAT HALL OF THE PEOPLE) Remarks: * Li Peng, Premier of the People's Republic of China * Mahathir bin Mohamad, Prime Minister of Malaysia Patrick J. Ward, Chairman & CEO, Caltex Petroleum Corporation * Awaiting final confirmation

THURSDAY, MAY 12

Moderators:	Wu Jie, Vice Chairman of SCRES Rolf D. Kranepuhl, Managing Director-Asia/Pacific, IHT
08:50	OPENING REMARKS Wu Jie, Vice Chairman of SCRES Rolf D. Kranepuhl, Managing Director-Asia/Pacific, IHT
09:00	REFORM IN THE FOREIGN TRADE SYSTEM AND PROMOTION OF ECONOMIC AND TRADE COOPERATION BETWEEN CHINA AND FOREIGN COUNTRIES Wu Yi, Minister of Foreign Trade and Economic Cooperation
09:30	Question and Answer Session - Wu Yi
09:45	DEVELOPMENT OF CHINA'S INFRASTRUCTURE & INDUSTRY Percy Barnevik, President and CEO, ABB Asea Brown Boveri Ltd
10:30	Morning Coffee/Tea
11:00	REFORM OF CHINA'S FISCAL SYSTEM Liu Zhongli, Minister of Finance and Director-General, State Administration Taxation
11:30	Question and Answer Session - Liu Zhongli
11:45	THE SOCIALIST MARKET ECONOMY OF THE PRC: THE WORLD BANK PERSPECTIVE Ernest Stern, Managing Director, The World Bank
12:15	Question and Answer Session - Ernest Stern
12:30	LUNCHEON Special Address: Liu Zhongli, Minister of Finance and Director-General, State Administration Taxation Guest of Honor: Ernest Stern, Managing Director, The World Bank
14:15	REFORM IN THE FINANCIAL AND BANKING SYSTEMS Chen Yuan, Deputy Governor, People's Bank of China
14:45	Question and Answer Session - Chen Yuan
15:00	FINANCING THE DEVELOPMENT OF THE SOCIALIST MARKET ECONOMY Philip Tose, Chairman, Peregrine Investments Holdings Ltd
15:30	INTERNATIONALIZING THE EMERGING CAPITAL MARKETS OF THE PRC Liu Hongru, Chairman, China Securities Regulatory Commission
16:00	Question and Answer Session - Liu Hongru
16:15	Afternoon Tea
16:45	A PERSPECTIVE ON SHANGHAI'S ECONOMIC DEVELOPMENT Huang Ju, Mayor of Shanghai
17:15	CHINA AND THE WORLD Helmut Schmidt, Former Chancellor, Federal Republic of Germany
17:45	CLOSING REMARKS Li Tieying, State Councillor and Chairman of SCRES Richard McClean, Chief Executive and Publisher, IHT
18:00	SUMMIT PRESS CONFERENCE - CHINA WORLD HOTEL
19:00	COCKTAIL RECEPTION AND DINNER BANQUET HOSTED BY IHT (CHINA WORLD HOTEL) Guests of Honor: Li Tieying, State Councillor and Chairman of SCRES Helmut Schmidt, Former Chancellor, Federal Republic of Germany Ronald B. Woodard, President, The Boeing Commercial Airplane Group He Guanghui, Acting Vice Chairman of SCRES Remarks:

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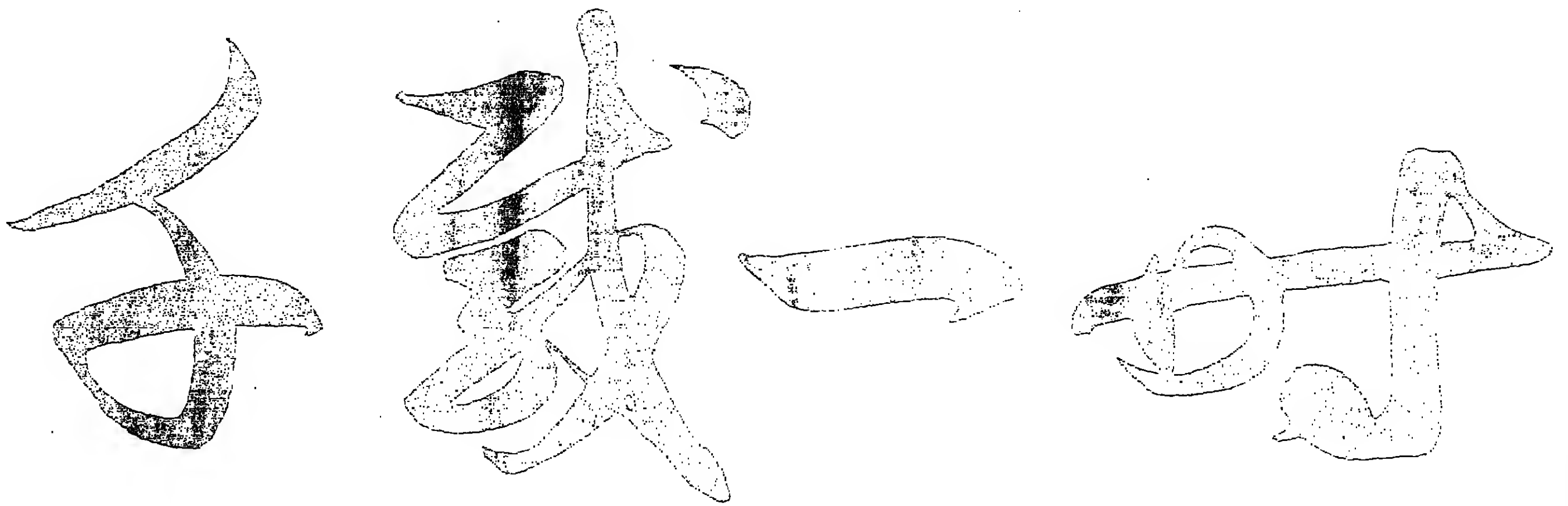
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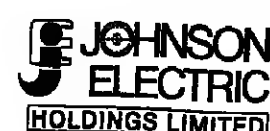
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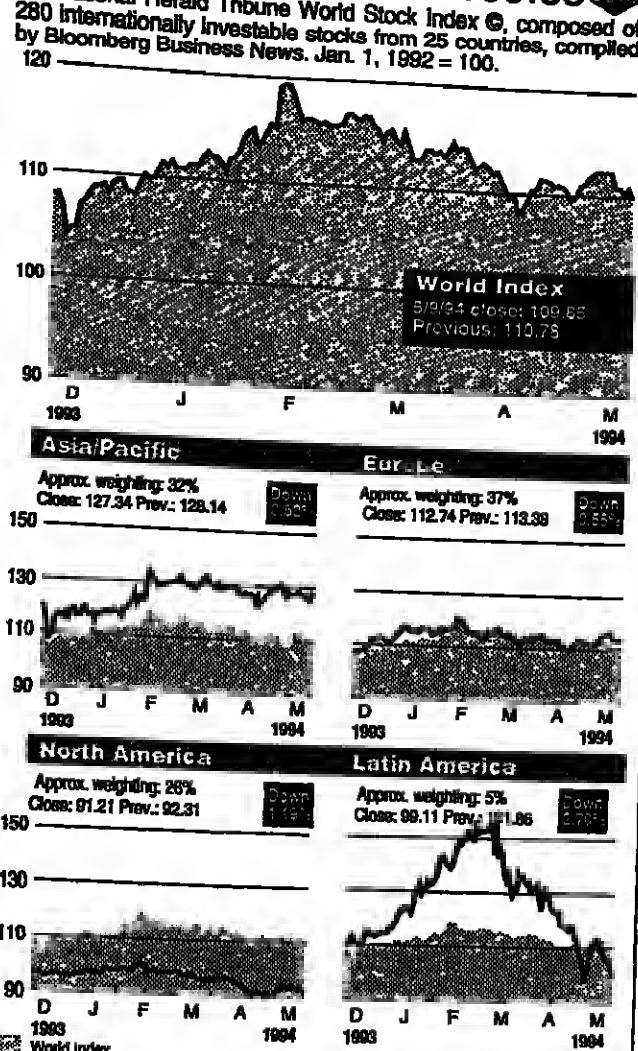
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BUSINESS

International Herald Tribune, Tuesday, May 10, 1994

THE TRIB INDEX: 109.85
International Herald Tribune World Stock Index, composed of 250 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1982 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top issues are tracked.

Index	1993	1994	% Change
Energy	110.89	111.19	-0.27
Utilities	116.01	117.05	-0.89
Finance	115.83	115.91	-0.50
Services	113.51	114.78	-1.11
Capital Goods	110.71	111.80	-0.97
Raw Materials	121.83	122.30	-0.38
Consumer Goods	95.27	96.59	-1.47
Miscellaneous	124.10	124.25	-0.12

Genentech Lives 'High Life' Again

Biotech Firm's New Drugs Produce Healthy Profits

By Lawrence M. Fisher
New York Times Service
SOUTH SAN FRANCISCO, California — Biotechnology companies do not use pop songs to hawk their wares as the makers of athletic shoes or sports coupes do. But if they did, Genentech Inc. could well be singing Steve Winwood's 1987 hit, "Back in the High Life Again."

As it happens, 1987 was the low point for Genentech, the world's first biotech company. That was the year an advisory panel to the U.S. Food and Drug Administration recommended against approval of the company's flagship drug, Activase, used to dissolve blood clots in heart-attack patients.

Though Activase was ultimately approved in 1988, Genentech was unable to show that its \$2,200-a-dose drug was any more effective than a competing drug selling at one-tenth the price, and sales failed to meet early expectations. The result: Roche Holdings Ltd., the big Swiss drug maker, acquired majority ownership of the weakened Genentech in 1990.

Roche, which currently owns 60 percent of Genentech's equity, retained an option to acquire the remaining 40 percent at \$50 a share, effectively putting a cap on the stock price. Meanwhile,

growth slowed, and many analysts stopped following Genentech.

But free from Wall Street's impatient scrutiny and liberated from the endless need to raise research money, courtesy of Roche's deep pockets, Genentech stuck to its goals.

The past year, and more particularly the last six months, have been a vindication of the company's long-term strategy: to develop novel, genetically engineered drugs to treat pressing medical needs, including a drug to treat cystic fibrosis and another to spur growth in children.

Genentech now has multiple products, and profits, both rare among biotech companies. In 1993, it earned \$58.9 million on sales of \$649.7 million, a healthy jump from earnings of \$20.8 million on revenue of \$544.3 million in 1992. It has a pipeline full of promising drug candidates in advanced trials.

"Genentech is executing with perfection," said Mark Simon, an analyst with Robertson, Stephens & Co., an investment firm in San Francisco. "It's like an engine hitting on all eight cylinders. They have thoroughly learned from their disaster of 1987. They're patient, they're methodical, and they don't shoot for the moon."

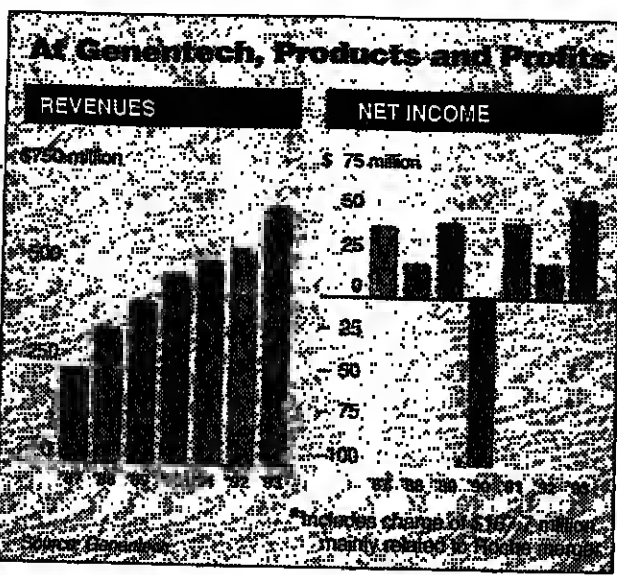
The question today is: Will the high life last?

By drug industry standards, Genentech remains small, and the cloud hanging over its future is whether Roche will exercise the option to acquire the balance of the company at \$50 a share by July 1, 1995. It can still buy after that date, but only at market rates, which could go higher.

Genentech shares were priced at \$48.50 in trading Monday on the New York Stock Exchange.

Roche has not said what it intends to do, although some company executives have said they are not inclined to alter the current relationship as long as it is working well. Roche executives now fill just two of Genentech's 12 board seats. A complete takeover might well submerge Genentech's entrepreneurial spirit.

See GENENTECH, Page 15



Alitalia Loss Widens to \$215 Million

ROME — Alitalia, the Italian state airline, said Monday that its loss for 1993 had widened nearly 20-fold, to \$215 million (€215 million), and that debt had risen sharply.

Hit by economic recession, a cutthroat price war and overcapacity, the airline also said it would shed jobs, reorganize its routes and timetable and reduce costs. It had incurred a net loss of 17.6 billion lire in 1992.

In 1993, the airline's debt rose to 1.64 trillion lire from 694 billion lire.

"The results were affected by an international economic depression, overcapacity and a strong contraction of demand in the business segment," the company said.

Alitalia said the restructuring plan, passed at Monday's board meeting, which also approved

the results, aimed to bring the company back to profit in the short-to-medium term.

A spokesman refused to say how many jobs losses had been approved in the plan, adding that a figure would emerge after a meeting on Wednesday between management and unions.

Company executives said last week that at least 1,200 jobs, including those of flight crew members, would be shed through a mixture of early retirements and time-sharing agreements.

Industry analysts said that to ensure long-term profitability the company must also form international alliances.

With only a small international network, Alitalia's best hope is to act as a "feeder," pumping passengers into the networks of its larger competitors, they said.

The company took a first step towards for-

ing an intercontinental alliance this week by signing a strategic agreement with Continental Airlines in the United States.

British Midland-Air Canada Link

British Midland said Monday it has concluded a code-sharing agreement with Air Canada, AFP-Exel News reported from London. Under the accord, Air Canada will be able to carry passengers to five new British destinations — Glasgow, Belfast, Edinburgh, Leeds, Bradford and Teesside — via London's Heathrow airport.

British Midland said that passengers wanting to travel from Glasgow to western Canada could now link up with Air Canada's Heathrow-to-Vancouver flight, and use services from other British cities to Toronto, Ottawa and Montreal.

Dollar Eroded By Skidding U.S. Securities

Compiled by Our Staff From Dispatches
NEW YORK — Tumbling U.S. Treasury bond and stock prices Monday eroded investor confidence in owning dollar-denominated assets and sent the U.S. currency lower against European currencies.

The Federal Reserve Board's failure to raise U.S. interest rates was the demise of the dollar and the bond market, traders said.

"It's hard to get excited about the dollar when the stocks and bonds are getting whacked," said Steve Geovannis, managing director of foreign exchange at Merrill Lynch. "The dollar is vulnerable."

The dollar finished in New York at 1.6540 Deutsche marks, down from 1.6625 Friday, and at 5.7070 French francs, down from 5.7003. The dollar also slipped to 1.4105 Swiss francs from 1.4140 Friday.

The pound strengthened to \$1.698 from \$1.4930.

The flight from dollar-denominated assets was spurred by a plunge in Treasury bond prices. Investors bailed out of Treasuries amid fears that inflation, which erodes the value of fixed-income securities, would accompany robust U.S. economic growth. While the Fed already has raised interest rates three times this year as a pre-emptive strike against inflation, many investors had speculated the U.S. central bank might push rates up again this week.

But on Monday, the Fed temporarily added reserves to the banking system at a time when federal funds, the rate on overnight loans among U.S. banks, were trading above the perceived target of 3.75 percent.

That served as a signal to traders that the central bank endorsed a steady monetary policy, which stoked selling of bonds and dollars.

Analysts said interest-rate speculation was likely to dominate market sentiment until May 17, when the central bank's policy-making Federal Open Market Committee meets.

"Federal Reserve operations continue to dominate the market," a foreign-exchange trader in New York said. "Everyone's just trying to figure out when they will come in."

Some analysts debated whether an imminent tightening of monetary policy would help or hinder the dollar. Although rising short-term rates often encourage investments in a currency, they also depress bond prices, causing an outflow of money.

Adrian Schmidt, international economist with Chase Investment Bank in London, said a 50 basis point increase in federal funds eventually would bolster the dollar.

"I'm one of those people who think, yes it would help in the medium term," he said.

See DOLLAR, Page 12

Foreigners Buy \$12.5 Billion Of Japan Stocks

Agency France-Press

TOKYO — Foreign buying of Japanese stocks jumped to a record \$12.5 billion in March, inflating the long-term capital surplus to a record high for the second straight month, the Finance Ministry said Monday.

The capital surplus of \$21.9 billion easily surpassed the previous record of \$17.5 billion in February, the highest monthly inflow of long-term capital in almost two-and-a-half years.

Net purchases of Japanese shares by foreign investors have now hit three consecutive records following purchases of \$11.5 billion in February and \$10.6 billion in January.

The heavy buying during the three months helped boost net purchases of Japanese shares to a record of almost \$50 billion for the latest fiscal year, which ended March 31.

Japan's trade surplus hits a record, Page 15.

Thinking Ahead / Commentary

Time for a Bretton Woods Reunion

By Reginald Dale
International Herald Tribune

WASHINGTON — Half a century later, the dream of the architects of the postwar international economic order is almost coming true. Next year, touch wood, a new World Trade Organization will take its place alongside the International Monetary Fund and the World Bank as the third leg of the grand triad of multilateral institutions first envisioned at the Bretton Woods conference in July 1944.

With the collapse of Communism, the institutions are becoming genuinely worldwide bodies, as the architects originally intended. But as the triad's third leg is put into place, the other two are showing signs of age. They will not last the next half century in their current form.

With the anniversary fast approaching, the Bank and the Fund are coming under close scrutiny as the international financial community prepares its verdict on their first 50 years. The most common criticisms of the Bank are that it has become bloated and lost its focus; that it has tried to take on too much and neglected the environment.

The Fund is widely acknowledged to be lean and mean — perhaps too mean. Developing countries have long accused the Fund of setting excessively harsh conditions for its loans and lacking political sensitivity. Now these charges have burst forth with renewed vigor over the Fund's handling of Russia.

Some of the criticisms are petty; some are being fixed (the Bank is gradually paying more attention to the environment); some need more fixing (the Bank is still too bloated); and some are just plain wrong.

The record shows indisputably, for instance, that countries meeting the Fund's conditions have usually prospered, while those rejecting them have not — and the same will undoubtedly hold true for Russia too. But the main challenge for the next 50 years will be for the institutions to adapt to a radically different world.

Over the past half century, the world has moved from fixed to floating exchange rates

and the industrial countries have long stopped seeking loans from the Fund, preferring the private capital markets. The emphasis of development philosophy has shifted from government aid to private investment. Now, formerly developing countries, especially in Asia, are fast graduating into the industrial league, and most ex-Communist countries have embraced market economies. The balance of world economic power is inexorably shifting away from the Western countries that dominated the postwar era.

These developments have the long-term effect of weakening the Bretton Woods institutions. The IMF no longer fulfills its original mission of stabilizing exchange rates and its clients are now much the same as those of the World Bank: low- and middle-income countries.

Both institutions are going to see their client base shrink as more and more countries devel-

op and the ex-Communist countries become properly functioning market economies.

With fewer sectors now considered suitable for public development aid, the institutions' areas of operations will diminish — just as their activities increasingly overlap.

So why not a merger?

There would obviously be some advantages: duplicated activities, such as analysis, research, some programs and technical assistance, could be rationalized. Costs could be reduced and a merged institution might make money selling off some prime Washington real estate.

But much of that could be done without a merger. Far more important is to get the institutions' missions right.

There is still probably a useful role for a good cop (the Bank) and a bad cop (the Fund) in prodding many of the world's countries in the right direction. But the arguments for a merger can only grow stronger in the years ahead if the Fund, in particular, fails to reinvent its role.

In an ideal world, the Fund might try to recapture its original function of bringing more order to exchange rates. It might enforce stronger surveillance of national economic policies and try to keep tabs on surplus as well as deficit countries.

That is unlikely to happen any time soon. Meanwhile, a more profitable approach would be to use the triad's three legs to support new forms of intergovernmental cooperation, perhaps in an expanded or revamped Group of Seven, that better reflect the world's changing balance of economic power. Maybe the world's best brains could go back to Bretton Woods and redesign the architecture for the next 50 years.

The World Bank and IMF are showing signs of age and will not last in their current form.

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CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits										May 9			
	\$	DM	£	FF	Y	DK	Sc	Sw	Sp	Y	CS	Sw	Sw	Sw	Sw	Sw	Sw	Sw	Sw				
Amsterdam	1.00	1.23	1.22	1.32	1.37	1.41	1.45	1.49	1.53	1.57	1.61	1.65	1.69	1.73	1.77	1.81	1.85	1.89	1.93				
Brussels	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22	34.22				
Frankfurt	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
London	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Madrid	163.15	207.10	222.34	232.34	242.34	252.34	262.34	272.34	282.34	292.34	302.34	312.34	322.34	332.34	342.34	352.34	362.34	372.34	382.34				
Paris	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
New York (B)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Osaka	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Porto	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Stockholm	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Tokyo	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Yokohama	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
1 ECU	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
1 DEM	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
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MARKET DIARY

Interest-Rate Rise Pressures Stocks

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks tumbled on Monday, dragged downward by a stubbornly bearish oil market, amid expectations that the Federal Reserve Board would raise interest rates by as much as a half a point to combat inflation.

The Dow Jones industrial average tumbled to 4046 points, to 3,629.04, adding to its loss of 26.47 points on Friday.

U.S. Stocks

Friday, when the market was similarly soured by weak bond markets. "The stock market is captive of the bond market," said Alfred E. Newman, an analyst with A.G. Edwards & Sons Inc. in St. Louis. "Everyone is waiting for the Fed to top the next shock."

Trading was moderate with 50.83 million shares traded, down on 289.60 million at the close on Friday. About three stocks fell for each that rose on the Big Board.

Traders said the market was disappointed that the Fed had not used rates ahead of the Treasury's quarterly refunding this week. Some of the fear-ridden rate increase is most universally expected, and the Fed's move is now, before the market's reaction.

"Once we have the uncertainty of Fed policy out of the way, that as the potential to allow interest rates to stabilize, and that is one of

the necessary conditions for stable or rising stock prices," said Joseph L. Romano, chief economist at S.G. Warburg & Co.

Nervousness about a Fed move drove the yield on the benchmark 30-year Treasury bond up to 7.63 percent, its highest level since November 1992. It was 7.54 percent on Friday. The price of the bonds fell 29.37 points, to 83.2932.

A rate increase by the Fed was widely expected since Friday, when the Labor Department reported that 267,000 new jobs had been created in April, more than the 190,000 economists predicted.

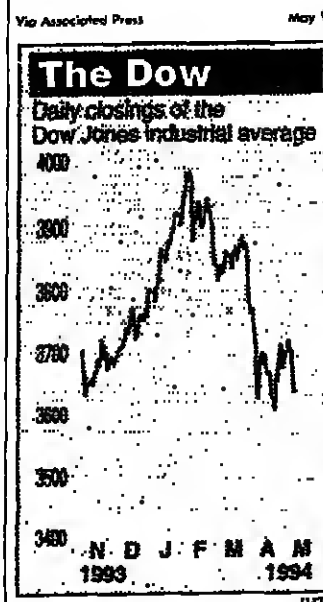
The market was also struck Monday by a decline in tobacco company shares as a result of reports that some tobacco executives may have known 30 years ago that nicotine was addictive and that cigarette use was a cause of lung cancer.

"This news is damaging to the cigarette companies, as it makes for a much easier case for plaintiffs to sue these companies if they will not add to prove that nicotine is addictive," said Allan Kaplan, an analyst at Merrill Lynch & Co.

Philip Morris dropped 2 to 50, RJR Nabisco Holdings eased 1 1/2 to 54 and American Brands fell 1 1/2 to 32 1/2.

Among blue chips, Caterpillar eased 2 1/2 to 105 1/2 and General Electric fell 1 1/2 to 94 1/2.

(AP, Bloomberg, Knight-Ridder)



NYSE Most Actives

Symbol	High	Low	Last	Chg.
IBM	114.50	114.00	114.25	+0.25
Microsoft	72.50	72.00	72.25	+0.25
Oracle	55.00	54.50	54.75	+0.25
Intel	45.00	44.50	44.75	+0.25
Novell	35.00	34.50	34.75	+0.25
Unisys	25.00	24.50	24.75	+0.25
3Com	15.00	14.50	14.75	+0.25
Lotus	10.00	9.50	9.75	+0.25
McAfee	8.00	7.50	7.75	+0.25
VeriFone	6.00	5.50	5.75	+0.25

NASDAQ Most Actives

Symbol	High	Low	Last	Chg.
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25
AMEX	100.00	99.50	99.75	+0.25

DOLLAR: Burdened by Bonds

Continued from Page 11

in term," he said. "But the bond market is dominating sentiment in the short term."

The dollar's downside should be cushioned by speculation that central banks, led by the Fed, would print into action if the U.S. cur-

Foreign Exchange

may fell too low again after last week's concerted intervention, analysts said.

"The success or failure of central bank intervention, combined with interest rate policy, are the two factors determining whether the dollar is going, and everything else is immaterial," the New York trader said.

The dollar has failed to respond to a rally to a barrage of positive economic news in the past month, and traders said it would be a very harsh sign for the U.S. currency if repeated intervention by central banks offers the dollar is only support.

The Fed and more than a dozen other central banks bought dollar last week to stem its slide against major currencies.

"The market is wondering how long the central banks can keep the dollar supported without more increases in U.S. interest rates," said

John Nelson, director of global foreign exchange at Barclays Bank in London.

While this week's Bundesbank council meeting could provide the dollar with a reprieve in the form of a German rate cut, analysts said they saw few bright spots.

"There is no doubt that the dollar is going to go down from here," said Hugh Walsh, a dealer at ING Capital Markets. "The question is the pace. At the moment the market is trying to take it down slowly so as not to cause the Fed to come in."

The dollar was able to edge up against the yen, helped by reports the United States and Japan would try to resume trade talks, which broke down in February.

The dollar edged up to 102.85 yen, down from 102.465. The U.S. currency also was underpinned by signs Japan's trade surplus may have peaked. Japan said Monday its current account surplus soared to a record high for the fiscal year ended on March 31, but the strength of the yen was already starting to slow the growth by making Japanese goods more expensive abroad.

The pound declined to 2.4770 DM on Monday from 2.4835 late Friday.

(Reuters, AFX, Knight-Ridder, Bloomberg)

Dow Jones Averages

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Standard & Poor's Indexes

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

NYSE Indexes

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

NASDAQ Indexes

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

AMEX Stock Index

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

Dow Jones Bond Averages

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

NYSE Diary

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

AMEX Diary

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

NASDAQ Diary

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

Spot Commodities

High	Low	Close	Chg.
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0
1000	1000	1000	0

WORLD STOCK MARKETS

Compiled by Our Staff From Dispatches

May 9

Amsterdam

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Brussels

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Frankfurt

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

London

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Milan

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Paris

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Sao Paulo

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Singapore

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Stockholm

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Toronto

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Zurich

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

EUROPEAN FUTURES

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Metals

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Stock Indexes

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

Dividends

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

STOCK SPLIT

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

SPECIAL

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

INITIAL

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

REGULAR

Open	High	Low	Last	Chg.
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0
1000	1000	1000	1000	0

INDUSTRIALS

Jul	152.50	152.50	152.75	152.75
Aug	155.50	154.50	155.00	155.00
Sep	157.00	155.50	156.75	156.75
Oct	159.50	158.00	159.25	159.25
Nov	161.50	161.00	161.00	161.00
Dec	162.50	162.25	162.50	162.50
Jan	163.50	162.25	162.50	162.50
Feb	N.T.	N.T.	N.T.	161.50
Mar	N.T.	N.T.	N.T.	159.50

Fcl. volume: 15430 Open Int. 101

Japan Surplus At Record, But Yen Has An Impact

Compiled by Our Staff From Dispatches

TOKYO — Japan's current-account surplus, long a source of friction with major trading partners, rose 3.3 percent, to a record \$130.04 billion in the fiscal year ended March 31, the Finance Ministry said Monday.

The current account, a broad measure of trade in goods and services plus certain capital flows, amounted to \$125.90 billion a year earlier.

Although the surplus was a record for a fiscal year — albeit slightly below the record \$131 billion surplus in the year to December — a ministry official said the imbalance had peaked because of a strong yen and low crude oil prices.

The total volume of Japan's imports has increased while the volume of exports has decreased, the official said. "So it seems like the amount of surplus will not increase

anymore. The overall trend is that the trade surplus has peaked and that further increases in the imbalance are unlikely."

The United States has raised the possibility of imposing trade sanctions if Japan does not take steps to reduce its trade surpluses.

Measured in yen, the fiscal 1993 surplus narrowed by 10 percent from the previous year as the rising value of the currency encouraged spending by Japanese consumers and discouraged purchases of Japanese products abroad. The surplus fell to 14 trillion yen from 15.6 trillion yen in fiscal 1992.

The yen's rise against the dollar raises the value of Japanese exports measured in dollars. The dollar was fiscal 1993, compared with about 115 yen at the end of fiscal 1992.

Thus, 1,000 yen worth of exports would have been worth \$8.70 at the

start of the fiscal year and \$9.80 at the end.

Over the long run, analysts expect the dollar's effect on Japanese products' competitiveness to help shrink the surplus in both dollar and yen terms.

Last week, the dollar approached its post-World War II record low of 100.40 yen, reached Aug. 17 last year. It closed Monday in Tokyo at 102.41 yen.

In March, the surplus fell 16 percent, to \$15.76 billion, from \$18.79 billion a year earlier, the ministry said. In yen, March's current surplus plummeted 25 percent, continuing a declining trend of the past several months.

The ministry does not provide a breakdown of figures by country or region for the current account. In calendar 1993, Japan's trade surplus with the United States reached \$39 billion. (AP, AFP)

'Made in China' Spells Trouble For Vietnamese

Agence France-Presse

DONG DANG, Vietnam — At dawn each day, a thin convoy of bicycles and motorbikes leaves this border town. With it trickles away a degree of hope for Vietnam's faltering state industries.

Precariously balancing everything from beer to televisions, traders make the trek down from border posts such as Dong Dang that dot the China frontier.

Their destination is the market town of Lang Son, where wholesalers snap up their cargo of cheap Chinese-made consumer goods for resale across Vietnam.

Hundreds of millions of dollars of goods flood across the frontier each year, mostly brought in illegally by small traders growing rich as China dumps its surplus production on Vietnam, which has found itself powerless to stop the trade.

With the Chinese stockpiles estimated to be worth as much as \$34 billion, the trade threatens to swamp Vietnam's light industries, which are struggling from debts and from decades of centralized mismanagement.

"The Chinese are dumping goods from their vast stocks," said a Western economist who insisted on anonymity. "And with the devaluation of the yuan, the products are even cheaper."

"What the Vietnamese get from China is basically a better product, and the Chinese are definitely not selling at cost," he said.

Vietnam's textile industry has been particularly hard hit, with high-quality Chinese cloth selling for around 15 percent less than domestic material.

Chinese products such as porcelain, cooking utensils and bicycles almost completely dominate the Vietnamese market.

Trade agreements between Vietnam and China appear ineffective, moreover, as profiteers ignore government dictates in the interests of enriching themselves.

However, new domestic regulations in China can have a rapid impact in Vietnam. After Beijing banned TV satellite dishes, traders began selling Chinese models in Vietnam at half-price, as manufacturers rushed to clear factories.

Some officials and economists in Vietnam have suggested that the competition from China is just the bitter medicine Vietnam needs to sort out its crumbling state sector.

"It's extremely difficult for the Vietnamese to compete," said the economist. "They just have to adjust to the fact that it's an open market and forget about producing the same goods."

Prospects for Vietnam boosting its exports to China appear bleak, say analysts. The Vietnamese currency is overvalued, and some, and few Chinese consumers appear interested in Vietnamese products.

"Chinese people don't want to buy Vietnamese products," said Chen Rufang, a trading-company representative in the Guangxi province. "Their quality is no good."

GE Plans Big Outlays In China

Bloomberg Business News

BEIJING — General Electric Co. intends to invest \$500 million in China over the next three to five years, including the establishment of up to seven major new enterprises, the official China Daily newspaper reported on Monday.

"We are planning for the next 100 years in China, and we want to be a Chinese company, an insider of the Chinese economy," said Jeffrey Gannon, GE China's chief executive officer.

GE decided to increase its presence in China "without hesitation," despite uncertainty over the future of China's most-favored-nation trading status with the United States, Mr. Gannon said.

"We have confidence in this country and even without MFN there will be significant trade flow between GE and China," he said.

"We expect GE's annual sales in China to reach more than \$2 billion by 1996 or 1997, up from \$1.1 billion last year."

The proposed new enterprises, both wholly owned and joint ventures, are to be operational by 1996. The industries involved include lighting, plastics, locomotives, by-dropper, gas and steam turbine generators, appliances and financial services, the China Daily said.

China Denies Venture
China denied Monday that an American company would be building the country's second national telecommunications network, Agence France-Presse reported from Beijing.

Nynex Telecom Network System Inc., a unit of Nynex Corp., said recently that it had signed an agreement with China that could evolve into a joint venture to build the second national network.

Investor's Asia			
Index	Value	Change	High/Low
Hong Kong Hang Seng	7,200	+100	7,100/7,300
Singapore Straits Times	2,200	+20	2,180/2,220
Tokyo Nikkei 225	12,500	+100	12,400/12,600
London FTSE 100	3,800	+20	3,780/3,820
Frankfurt DAX	2,800	+10	2,790/2,810
Paris CAC 40	3,200	+10	3,190/3,210
Amsterdam AEX	3,500	+10	3,490/3,510
Stock Exchange	Index	Value	Change
London	FTSE 100	3,800	+20
Amsterdam	AEX	3,500	+10
Frankfurt	DAX	2,800	+10
Paris	CAC 40	3,200	+10
Stock Exchange	Index	Value	Change
London	FTSE 100	3,800	+20
Amsterdam	AEX	3,500	+10
Frankfurt	DAX	2,800	+10
Paris	CAC 40	3,200	+10

Very briefly:

• Post Publishing Public Co., which publishes the Siam Post and the English-language Bangkok Post, withdrew from a consortium bidding for a new television station, saying it did not make economic sense. Its partners and three rival consortiums remain in competition for the first station in the country not controlled by the government or military.

• China's electricity production fell far short of demand in the first quarter of 1994, despite a 10 percent increase in output over the same period last year, the Power Industry Ministry said. Output topped 210 billion kilowatt hours in the January-March period.

• Australia Media Ltd., an Australian pay-television company, formed a movie venture with Telecommunications Inc., and will form a sports channel with Liberty Media Corp. The U.S. companies plan to merge.

• Samsung Co. is expected to face opposition from the South Korean government over its plan to enter the automobile industry via a partnership with Nissan Motor Co., according to press reports.

• Daimler-Benz AG plans to use its listing in Singapore on Tuesday to create a shareholder base in Asia. Daimler also plans to seek a listing in Shanghai. (AP, AFP, Bloomberg, Knight-Ridder)

Consumers Boost Hong Kong GDP

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong's government announced Monday that gross domestic product had surged by an inflation-adjusted 5.5 percent in the fourth quarter of 1993 from the comparable period a year before, reflecting major increases in spending on consumer goods and services.

The growth rate compares to 5.6 percent for the third quarter.

The Census and Statistics Department also issued a preliminary estimate showing that GDP had risen by 5.5 percent for the year as a whole in 1993 from 1992.

All figures were adjusted for inflation.

Among the main components of the GDP estimate, private consumption expenditure grew by 9.5 percent in real terms in the fourth quarter of 1993 over the like quarter in 1992.

But government expenditure declined marginally by 0.1 percent, due to efforts to rein in growth in the civil

service payroll, and in part due to cuts in government purchases, the department said.

The year-on-year growth rate in external trade slowed somewhat in the fourth quarter, following significant growth in previous quarters.

Total exports of goods grew by 9.1 percent, while imports grew by 6.5 percent. Exports had risen by 14.2 percent and imports by 15.2 percent in the third quarter.

Plans Set for Public Housing
The Hong Kong government announced Monday that it was setting aside extra cash to build public housing as part of its campaign to bring down skyrocketing property prices in the territory, according to a dispatch by Agence France-Presse from Hong Kong.

Treasury Secretary Donald Tsang said the government would inject 9.5 billion Hong Kong dollars (\$1.23 billion) into the housing authority, bringing the total of funds that have been earmarked to 17 billion dollars by the end of 1998.

GENENTECH: New Products and New Profits

Continued from Page 11

preclinical culture, which attracts research scientists because of the freedom they are offered and which rewards every employee with stock options.

Amid the continuing consolidation in the drug industry, however, Roche's \$3.3 billion acquisition last week of Syntex Corp., based just 25 miles south of Genentech's headquarters, raised new speculation about Genentech's future.

Syntex, best known for birth-control pills and for Naprosyn, the leading arthritis pain reliever, has had a very different technology focus from Genentech. But there is considerable overlap in research efforts between the two, as well as with Roche itself. Analysts say Roche could seek to reduce costs by consolidating.

Roche is not talking about any such plans, but its acquisition of Syntex, which has been struggling for lack of strong new products, points to another challenge facing Genentech.

Syntex, an innovator in the 1960s and 1970s, failed to embrace the emerging science of biotechnology and fell behind. Some analysts say that Genentech, while clearly the industry leader in developing drugs from protein molecules, has been slow to invest in second- and third-generation biotech developments, like antisense and gene therapy, two approaches that treat disease at the genetic level.

"Genentech has not done nearly as many deals as it could have or should have," said Viren Mehta, an analyst with Mehta & Isaly, an investment firm based in New York that specializes in health-care technology.

Genentech is in a strong position to enter joint ventures with new companies in emerging fields, he said, but has done relatively few compared with a competitor such as Chiron Corp.

G. Kirk Raab, Genentech's president, said Genentech gets the deals it wants and has passed up several when the terms were not favorable. But while the company has internal and collaborative ventures in the up-and-coming technologies of drug discovery, he said it intends to focus for many years on what it knows best: duplicating naturally occurring proteins of therapeutic value. Such drugs will drive Genentech well into the next century, he said.

Genentech's recent trek back to the bright lights was built around such drugs. The rebound began with the April 1993 publication of the results of a \$55 million, 41,000-patient study, known as the Gusto trial, which demonstrated that more lives were saved with the Activase blood-clot dissolver than with Streptokinase, the less-expensive alternative.

Activase sales, which had been in decline, have since surged. Then, in December, Genentech received FDA approval for Pulmozyme, the first drug treatment for cystic fibrosis, a life-threatening genetic disease characterized by thick mucus secretions in the lungs. In March, it received approval for Nutropin, a new form of human growth hormone.

Genentech's founding scientist, Herbert Boyer, pioneered the process of using recombinant DNA to produce therapeutic proteins, and the company's prowess in the field has never been in doubt.

What is new, analysts say, is a corresponding excellence in navigating the political and regulatory shoals that lay between drug development and product approvals. Pulmozyme went from conception to market approval in just five

years, about half the industry average, and sailed through the FDA's review process in just nine months.

Much of what went right can be attributed to the company's shift in attitude toward the FDA. "The company used to be very combative with the FDA," said M. David MacFarlane, Genentech's vice president for regulatory affairs, who was recruited from Glaxo Holdings PLC, the British drug company. "We decided not to do that; we listened to their concerns."

Part way through the human clinical trials of Pulmozyme, the FDA requested that Genentech alter the criteria being measured, to get a more direct indication of whether the drug did indeed reduce the lung infections that ultimately kill most cystic fibrosis patients.

The agency also asked that the number of patients in the final trial be increased to nearly 1,000, to add to the statistical validity of what would be the first major trial of a cystic fibrosis drug.

For Genentech, the shift meant rapidly scaling up production, and the company started a \$37 million expansion of its manufacturing operations even before beginning the final trial.

The FDA liked what it saw. "It was a large trial; it had clinical endpoints of statistical power; and it was able to demonstrate unequivocally that the drug worked," said David A. Kessler, the agency's commissioner.

Genentech began shipping Pulmozyme commercially just two weeks after approval, and the drug had sales for the first quarter of 1994 of \$22.4 million. The company recently completed intermediate trials of Pulmozyme for the treatment of chronic bronchitis, a disease commonly suffered by long-term smokers, which affects far more people than does cystic fibrosis.

Data from the trial showed significantly reduced deaths among severe chronic bronchitis patients receiving the drug, compared with those getting a placebo.

While plowing new ground with Pulmozyme, Genentech was also making a defensive move with Nutropin, which was approved for the treatment of short stature in March. Protropin, Genentech's original genetically engineered growth hormone, had 1993 sales of \$216.9 million, up 5 percent from 1992, but the drug will soon face competition from three generic products currently being reviewed by the FDA.

By introducing Nutropin first, Genentech got a jump on the competition. "They are now in the best possible position to defend Protropin," said Kevin Wilson, an analyst with S.G. Warburg & Co. "The quality of their marketing has not been recognized" for its role in capturing the market for growth hormone or, for that matter, for blood-

clot dissolvers, he said. "What they did with Activase, pre-Gusto, to hold it where it was, was remarkable."

Actually, Genentech's aggressive marketing of Activase was of some concern in the medical community, as was the spending of \$55 million to show that the drug was marginally more effective than its much less-expensive competitor.

Indeed, some scientists and other biotech executives suggested that Genentech should lower Activase's price significantly after the Gusto trial, on the theory that it could both play the hero and increase market share.

Mr. Raab said the company did some market research and found that price cuts would have dire effects on profitability without significantly increasing sales.

From a "public-relations standpoint, the point where it would have made a difference was \$500, cutting the price to \$1,700" for the single dose given shortly after a heart attack, Mr. Raab said. "That would have cost us \$50 million, which is about the total profit Genentech made last year. And we could not find a doctor who said he would use it at \$1,700 but would not at \$2,200."

Manufacturing genetically engineered proteins is more costly than producing traditional drugs, but the real driver behind the high prices is the phenomenal cost of research and development. Genentech's R&D expenses for 1993 were \$299 million, up from \$279 million.

"The single most important reason to do the Roche deal was the alternative: to devastate this organization in research and development," Mr. Raab said.

In fact, several younger biotech companies have since agreed to partial acquisitions by large drug manufacturers as an alternative to toughing out the public-equity markets.

Still, grateful to Roche as Mr. Raab is, he would prefer Genentech to remain a separate entity.

"I have told them we do not want them to buy the rest of the company, but it's completely their decision," Mr. Raab said of Roche's top management. "If they do buy the rest of us," he added hopefully, "I think that will be fine, because I think they'll leave us alone, as they have so far."

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NASDAQ

Monday's 4 p.m.
This list compiled by the AP, consists of the 1 000 most traded securities in terms of dollar value. It is updated twice a year.

[illegible]

17NORTH	STAGE	Div	YIS	PE	High	Low	Lowest	Ch	28
17N01	PACI		19	172	187	189	296	97	—
17N02	Casady's	1.50 e	5.12	18	170	187	187	187	—
17N03	Calif		19	172	187	189	296	97	—
17N04	Calif		19	172	187	189	296	97	—
17N05	Calif		19	172	187	189	296	97	—
17N06	Calif		19	172	187	189	296	97	—
17N07	Calif		19	172	187	189	296	97	—
17N08	Calif		19	172	187	189	296	97	—
17N09	Calif		19	172	187	189	296	97	—
17N10	Calif		19	172	187	189	296	97	—
17N11	Calif		19	172	187	189	296	97	—
17N12	Calif		19	172	187	189	296	97	—
17N13	Calif		19	172	187	189	296	97	—
17N14	Calif		19	172	187	189	296	97	—
17N15	Calif		19	172	187	189	296	97	—
17N16	Calif		19	172	187	189	296	97	—
17N17	Calif		19	172	187	189	296	97	—
17N18	Calif		19	172	187	189	296	97	—
17N19	Calif		19	172	187	189	296	97	—
17N20	Calif		19	172	187	189	296	97	—
17N21	Calif		19	172	187	189	296	97	—
17N22	Calif		19	172	187	189	296	97	—
17N23	Calif		19	172	187	189	296	97	—
17N24	Calif		19	172	187	189	296	97	—
17N25	Calif		19	172	187	189	296	97	—
17N26	Calif		19	172	187	189	296	97	—
17N27	Calif		19	172	187	189	296	97	—
17N28	Calif		19	172	187	189	296	97	—
17N29	Calif		19	172	187	189	296	97	—
17N30	Calif		19	172	187	189	296	97	—
17N31	Calif		19	172	187	189	296	97	—
17N32	Calif		19	172	187	189	296	97	—
17N33	Calif		19	172	187	189	296	97	—
17N34	Calif		19	172	187	189	296	97	—
17N35	Calif		19	172	187	189	296	97	—
17N36	Calif		19	172	187	189	296	97	—
17N37	Calif		19	172	187	189	296	97	—
17N38	Calif		19	172	187	189	296	97	—
17N39	Calif		19	172	187	189	296	97	—
17N40	Calif		19	172	187	189	296	97	—
17N41	Calif		19	172	187	189	296	97	—
17N42	Calif		19	172	187	189	296	97	—
17N43	Calif		19	172	187	189	296	97	—
17N44	Calif		19	172	187	189	296	97	—
17N45	Calif		19	172	187	189	296	97	—
17N46	Calif		19	172	187	189	296	97	—
17N47	Calif		19	172	187	189	296	97	—
17N48	Calif		19	172	187	189	296	97	—
17N49	Calif		19	172	187	189	296	97	—
17N50	Calif		19	172	187	189	296	97	—
17N51	Calif		19	172	187	189	296	97	—
17N52	Calif		19	172	187	189	296	97	—

[illegible][illegible]

		G-H			
10	101	COVIS	22	852	117
20	102	CG FncI	22	852	117
30	103	CG FncI	22	852	117
40	104	CG FncI	22	852	117
50	105	CG FncI	22	852	117
60	106	CG FncI	22	852	117
70	107	CG FncI	22	852	117
80	108	CG FncI	22	852	117
90	109	CG FncI	22	852	117
100	110	CG FncI	22	852	117
110	111	CG FncI	22	852	117
120	112	CG FncI	22	852	117
130	113	CG FncI	22	852	117
140	114	CG FncI	22	852	117
150	115	CG FncI	22	852	117
160	116	CG FncI	22	852	117
170	117	CG FncI	22	852	117
180	118	CG FncI	22	852	117
190	119	CG FncI	22	852	117
200	120	CG FncI	22	852	117
210	121	CG FncI	22	852	117
220	122	CG FncI	22	852	117
230	123	CG FncI	22	852	117
240	124	CG FncI	22	852	117
250	125	CG FncI	22	852	117
260	126	CG FncI	22	852	117
270	127	CG FncI	22	852	117
280	128	CG FncI	22	852	117
290	129	CG FncI	22	852	117
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310	131	CG FncI	22	852	117
320	132	CG FncI	22	852	117
330	133	CG FncI	22	852	117
340	134	CG FncI	22	852	117
350	135	CG FncI	22	852	117
360	136	CG FncI	22	852	117
370	137	CG FncI	22	852	117
380	138	CG FncI	22	852	117
390	139	CG FncI	22	852	117
400	140	CG FncI	22	852	117
410	141	CG FncI	22	852	117
420	142	CG FncI	22	852	117
430	143	CG FncI	22	852	117
440	144	CG FncI	22	852	117
450	145	CG FncI	22	852	117
460	146	CG FncI	22	852	117
470	147	CG FncI	22	852	117
480	148	CG FncI	22	852	117
490	149	CG FncI	22	852	117
500	150	CG FncI	22	852	117
510	151	CG FncI	22	852	117
520	152	CG FncI	22	852	117
530	153	CG FncI	22	852	117
540	154	CG FncI	22	852	117
550	155	CG FncI	22	852	117
560	156	CG FncI	22	852	117
570	157	CG FncI	22	852	117
580	158	CG FncI	22	852	117
590	159	CG FncI	22	852	117
600	160	CG FncI	22	852	117
610	161	CG FncI	22	852	117
620	162	CG FncI	22	852	117
630	163	CG FncI	22	852	117
640	164	CG FncI	22	852	117
650	165	CG FncI	22	852	117
660	166	CG FncI	22	852	117
670	167	CG FncI	22	852	117

		I-J-K			
101	101	STAY	36	28	24
102	102	101	36	28	24
103	103	101	36	28	24
104	104	101	36	28	24
105	105	101	36	28	24
106	106	101	36	28	24
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109	109	101	36	28	24
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123	123	101	36	28	24
124	124	101	36	28	24
125	125	101	36	28	24
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136	136	101	36	28	24
137	137	101	36	28	24
138	138	101	36	28	24
139	139	101	36	28	24
140	140	101	36	28	24
141	141	101	36	28	24
142	142	101	36	28	24
143	143	101	36	28	24
144	144	101	36	28	24
145	145	101	36	28	24
146	146	101	36	28	24
147	147	101	36	28	24
148	148	101	36	28	24
149	149	101	36	28	24
150	150	101	36	28	24
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152	152	101	36	28	24
153	153	101	36	28	24
154	154	101	36	28	24
155	155	101	36	28	24
156	156	101	36	28	24
157	157	101	36	28	24
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161	161	101	36	28	24
162	162	101	36	28	24
163	163	101	36	28	24
164	164	101	36	28	24
165	165	101	36	28	24
166	166	101	36	28	24
167	167	101	36	28	24
168	168	101	36	28	24
169	169	101	36	28	24
170	170	101	36	28	24
171	171	101	36	28	24
172	172	101	36	28	24
173	173	101	36	28	24
174	174	101	36	28	24
175	175	101	36	28	24
176	176	101	36	28	24
177	177	101	36	28	24
178	178	101	36	28	24
179	179	101	36	28	24
180	180	101	36	28	24
L-M					
46	181	LCI Int	20	20	20
47	182	LCI Int	20	20	20
48	183	LCI Int	20	20	20
49	184	LCI Int	20	20	20
50	185	LCI Int	20	20	20
51	186	LCI Int	20	20	20
52	187	LCI Int	20	20	20
53	188	LCI Int	20	20	20
54	189	LCI Int	20	20	20
55	190	LCI Int	20	20	20
56	191	LCI Int	20	20	20
57	192	LCI Int	20	20	20
58	193	LCI Int	20	20	20
59	194	LCI Int	20	20	20
60	195	LCI Int	20	20	20
61	196	LCI Int	20	20	20
62	197	LCI Int	20	20	20
63	198	LCI Int	20	20	20
64	199	LCI Int	20	20	20
65	200	LCI Int	20	20	20
66	201	LCI Int	20	20	20
67	202	LCI Int	20	20	20
68	203	LCI Int	20	20	20
69	204	LCI Int	20	20	20
70	205	LCI Int	20	20	20
71	206	LCI Int	20	20	20
72	207	LCI Int	20	20	20
73	208	LCI Int	20	20	20
74	209	LCI Int	20	20	20
75	210	LCI Int	20	20	20
76	211	LCI Int	20	20	20
77	212	LCI Int	20	20	20
78	213	LCI Int	20	20	20
79	214	LCI Int	20	20	20
80	215	LCI Int	20	20	20
81	216	LCI Int	20	20	20
82	217	LCI Int	20	20	20
83	218	LCI Int	20	20	20
84	219	LCI Int	20	20	20
85	220	LCI Int	20	20	20
86	221	LCI Int	20	20	20
87	222	LCI Int	20	20	20
88	223	LCI Int	20	20	20
89	224	LCI Int	20	20	20
90	225	LCI Int	20	20	20
91	226	LCI Int	20	20	20
92	227	LCI Int	20	20	20
93	228	LCI Int	20	20	20
94	229	LCI Int	20	20	20
95	230	LCI Int	20	20	20
96	231	LCI Int	20	20	20
97	232	LCI Int	20	20	20
98	233	LCI Int	20	20	20
99	234	LCI Int	20	20	20
100	235	LCI Int	20	20	20

Team	W	L	Streak	Dr	YB	PE	Sis	High	Low	Lost	Chrg
1	2	1	W				23	27	27	27	27
2	2	1	W				23	27	27	27	27
3	2	1	W				23	27	27	27	27
4	2	1	W				23	27	27	27	27
5	2	1	W				23	27	27	27	27
6	2	1	W				23	27	27	27	27
7	2	1	W				23	27	27	27	27
8	2	1	W				23	27	27	27	27
9	2	1	W				23	27	27	27	27
10	2	1	W				23	27	27	27	27
11	2	1	W				23	27	27	27	27
12	2	1	W				23	27	27	27	27
13	2	1	W				23	27	27	27	27
14	2	1	W				23	27	27	27	27
15	2	1	W				23	27	27	27	27
16	2	1	W				23	27	27	27	27
17	2	1	W				23	27	27	27	27
18	2	1	W				23	27	27	27	27
19	2	1	W				23	27	27	27	27
20	2	1	W				23	27	27	27	27
21	2	1	W				23	27	27	27	27
22	2	1	W				23	27	27	27	27
23	2	1	W				23	27	27	27	27
24	2	1	W				23	27	27	27	27
25	2	1	W				23	27	27	27	27
26	2	1	W				23	27	27	27	27
27	2	1	W				23	27	27	27	27
28	2	1	W				23	27	27	27	27
29	2	1	W				23	27	27	27	27
30	2	1	W				23	27	27	27	27
31	2	1	W				23	27	27	27	27
32	2	1	W				23	27	27	27	27
33	2	1	W				23	27	27	27	27
34	2	1	W				23	27	27	27	27
35	2	1	W				23	27	27	27	27
36	2	1	W				23	27	27	27	27
37	2	1	W				23	27	27	27	27
38	2	1	W				23	27	27	27	27
39	2	1	W				23	27	27	27	27
40	2	1	W				23	27	27	27	27
41	2	1	W				23	27	27	27	27
42	2	1	W				23	27	27	27	27
43	2	1	W				23	27	27	27	27
44	2	1	W				23	27	27	27	27
45	2	1	W				23	27	27	27	27
46	2	1	W				23	27	27	27	27
47	2	1	W				23	27	27	27	27
48	2	1	W				23	27	27	27	27
49	2	1	W				23	27	27	27	27
50	2	1	W				23	27	27	27	27
51	2	1	W				23	27	27	27	27
52	2	1	W				23	27	27	27	

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T-S-V	
17%	17%
18%	18%
19%	19%
20%	20%
21%	21%
22%	22%
23%	23%
24%	24%
25%	25%
26%	26%
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96%	96%
97%	97%
98%	98%
99%	99%
100%	100%

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AMEX

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Stop	Div	Yld	PE	10s	High	Low	Latest	Chg
2	17	16	16	1/2	42	5.1	23	27	27	27	0
3	17	16	16	1/2	42	5.1	23	27	27	27	0
4	17	16	16	1/2	42	5.1	23	27	27	27	0
5	17	16	16	1/2	42	5.1	23	27	27	27	0
6	17	16	16	1/2	42	5.1	23	27	27	27	0
7	17	16	16	1/2	42	5.1	23	27	27	27	0
8	17	16	16	1/2	42	5.1	23	27	27	27	0
9	17	16	16	1/2	42	5.1	23	27	27	27	0
10	17	16	16	1/2	42	5.1	23	27	27	27	0
11	17	16	16	1/2	42	5.1	23	27	27	27	0
12	17	16	16	1/2	42	5.1	23	27	27	27	0
13	17	16	16	1/2	42	5.1	23	27	27	27	0
14	17	16	16	1/2	42	5.1	23	27	27	27	0
15	17	16	16	1/2	42	5.1	23	27	27	27	0
16	17	16	16	1/2	42	5.1	23	27	27	27	0
17	17	16	16	1/2	42	5.1	23	27	27	27	0
18	17	16	16	1/2	42	5.1	23	27	27	27	0
19	17	16	16	1/2	42	5.1	23	27	27	27	0
20	17	16	16	1/2	42	5.1	23	27	27	27	0
21	17	16	16	1/2	42	5.1	23	27	27	27	0
22	17	16	16	1/2	42	5.1	23	27	27	27	0
23	17	16	16	1/2	42	5.1	23	27	27	27	0
24	17	16	16	1/2	42	5.1	23	27	27	27	0
25	17	16	16	1/2	42	5.1	23	27	27	27	0
26	17	16	16	1/2	42	5.1	23	27	27	27	0
27	17	16	16	1/2	42	5.1	23	27	27	27	0
28	17	16	16	1/2	42	5.1	23	27	27	27	0
29	17	16	16	1/2	42	5.1	23	27	27	27	0
30	17	16	16	1/2	42	5.1	23	27	27	27	0
31	17	16	16	1/2	42	5.1	23	27	27	27	0
32	17	16	16	1/2	42	5.1	23	27	27	27	0
33	17	16	16	1/2	42	5.1	23	27	27	27	0
34	17	16	16	1/2	42	5.1	23	27	27	27	0
35	17	16	16	1/2	42	5.1	23	27	27	27	0
36	17	16	16	1/2	42	5.1	23	27	27	27	0
37	17	16	16	1/2	42	5.1	23	27	27	27	0
38	17	16	16	1/2	42	5.1	23	27	27	27	0
39	17	16	16	1/2	42	5.1	23	27	27	27	0
40	17	16	16	1/2	42	5.1	23	27	27	27	0
41	17	16	16	1/2	42	5.1	23	27	27	27	0
42	17	16	16	1/2	42	5.1	23	27	27	27	0
43	17	16	16	1/2	42	5.1	23	27	27	27	0
44	17	16	16	1/2	42	5.1	23	27	27	27	0
45	17	16	16	1/2	42	5.1	23	27	27	27	0
46	17	16	16	1/2	42	5.1	23	27	27	27	0
47	17	16	16	1/2	42	5.1	23	27	27	27	0
48	17	16	16	1/2	42	5.1	23	27	27	27	0
49	17	16	16	1/2	42	5.1	23	27	27	27	0
50	17	16	16	1/2	42	5.1	23	27	27	27	0
51	17	16	16	1/2	42	5.1	23	27	27	27	0
52	17	16	16	1/2	42	5.1	23	27	27	27	0
53	17	16	16	1/2	42	5.1	23	27	27	27	0
54	17	16	16	1/2	42	5.1	23	27	27	27	0
55	17	16	16	1/2	42	5.1	23	27	27	27	0
56	17	16	16	1/2	42	5.1	23	27	27	27	0
57	17	16	16	1/2	42	5.1	23	27	27	27	0
58	17	16	16	1/2	42	5.1	23	27	27	27	0
59	17	16	16	1/2	42	5.1	23	27	27	27	0
60	17	16	16	1/2	42	5.1	23	27	27	27	0
61	17	16	16	1/2	42	5.1	23	27	27	27	0
62	17	16	16	1/2	42	5.1	23	27	27	27	0
63	17	16	16	1/2	42	5.1	23	27	27	27	0
64	17	16	16	1/2	42	5.1	23	27	27	27	0
65	17	16	16	1/2	42	5.1	23	27	27	27	0
66	17	16	16	1/2	42	5.1	23	27	27	27	0
67	17	16	16	1/2	42	5.1	23	27	27	27	0
68	17	16	16	1/2	42	5.1	23	27	27	27	0
69	17	16	16	1/2	42	5.1	23	27	27	27	0
70	17	16	16	1/2	42	5.1	23	27	27	27	0
71	17	16	16	1/2	42	5.1	23	27	27	27	0
72	17	16	16	1/2	42	5.1	23	27	27	27	0
73	17	16	16	1/2	42	5.1	23	27	27	27	0
74	17	16	16	1/2	42	5.1	23	27	27	27	0
75	17	16	16	1/2	42	5.1	23	27	27	27	0
76	17	16	16	1/2	42	5.1	23	27	27	27	0
77	17	16	16	1/2	42	5.1	23	27	27	27	0
78	17	16	16	1/2	42	5.1	23	27	27	27	0
79	17	16	16	1/2	42	5.1	23	27	27	27	0
80	17	16	16	1/2	42	5.1	23	27	27	27	0
81	17	16	16	1/2	42	5.1	23	27	27	27	0
82	17	16	16	1/2	42	5.1	23	27	27	27	0
83	17	16	16	1/2	42	5.1	23	27	27	27	0
84	17	16	16	1/2	42	5.1	23	27	27	27	0
85	17	16	16	1/2	42	5.1	23	27	27	27	0
86	17	16	16	1/2	42	5.1	23	27	27	27	0
87	17	16	16	1/2	42	5.1	23	27	27	27	0
88	17	16	16	1/2	42	5.1	23	27	27	27	0
89	17	16	16	1/2	42	5.1	23	27	27	27	0
90	17	16	16	1/2	42	5.1	23	27	27	27	0
91	17	16	16	1/2	42	5.1	23	27	27	27	0
92	17	16	16	1/2	42	5.1	23	27	27	27	0
93	17	16	16	1/2	42	5.1	23	27	27	27	0
94	17	16	16	1/2	42	5.1	23	27	27	27	0
95	17	16	16	1/2	42	5.1	23	27	27	27	0
96	17	16	16	1/2	42	5.1	23	27	27	27	0
97	17	16	16	1/2	42	5.1	23	27	27	27	0
98	17	16	16	1/2	42	5.1	23	27	27	27	0
99	17	16	16	1/2	42	5.1	23	27	27	27	0
100	17	16	16	1/2	42	5.1	23	27	27	27	0

Year	Month	Day	City	Lat	Long	High	Low	Lowest	Lowest
1914	Jan	11	Cambridge	1.56	124	25	12	12	12
1914	Jan	17	Cambridge	1.56	124	25	12	12	12
1914	Jan	24	Cambridge	1.56	124	25	12	12	12
1914	Jan	31	Cambridge	1.56	124	25	12	12	12
1914	Feb	7	Cambridge	1.56	124	25	12	12	12
1914	Feb	14	Cambridge	1.56	124	25	12	12	12
1914	Feb	21	Cambridge	1.56	124	25	12	12	12
1914	Feb	28	Cambridge	1.56	124	25	12	12	12
1914	Mar	6	Cambridge	1.56	124	25	12	12	12
1914	Mar	13	Cambridge	1.56	124	25	12	12	12
1914	Mar	20	Cambridge	1.56	124	25	12	12	12
1914	Mar	27	Cambridge	1.56	124	25	12	12	12
1914	Apr	3	Cambridge	1.56	124	25	12	12	12
1914	Apr	10	Cambridge	1.56	124	25	12	12	12
1914	Apr	17	Cambridge	1.56	124	25	12	12	12
1914	Apr	24	Cambridge	1.56	124	25	12	12	12
1914	Apr	30	Cambridge	1.56	124	25	12	12	12
1914	May	7	Cambridge	1.56	124	25	12	12	12
1914	May	14	Cambridge	1.56	124	25	12	12	12
1914	May	21	Cambridge	1.56	124	25	12	12	12
1914	May	28	Cambridge	1.56	124	25	12	12	12
1914	Jun	4	Cambridge	1.56	124	25	12	12	12
1914	Jun	11	Cambridge	1.56	124	25	12	12	12
1914	Jun	18	Cambridge	1.56	124	25	12	12	12
1914	Jun	25	Cambridge	1.56	124	25	12	12	12
1914	Jul	2	Cambridge	1.56	124	25	12	12	12
1914	Jul	9	Cambridge	1.56	124	25	12	12	12
1914	Jul	16	Cambridge	1.56	124	25	12	12	12
1914	Jul	23	Cambridge	1.56	124	25	12	12	12
1914	Jul	30	Cambridge	1.56	124	25	12	12	12
1914	Aug	6	Cambridge	1.56	124	25	12	12	12
1914	Aug	13	Cambridge	1.56	124	25	12	12	12
1914	Aug	20	Cambridge	1.56	124	25	12	12	12
1914	Aug	27	Cambridge	1.56	124	25	12	12	12
1914	Sep	3	Cambridge	1.56	124	25	12	12	12
1914	Sep	10	Cambridge	1.56	124	25	12	12	12
1914	Sep	17	Cambridge	1.56	124	25	12	12	12
1914	Sep	24	Cambridge	1.56	124	25	12	12	12
1914	Sep	30	Cambridge	1.56	124	25	12	12	12
1914	Oct	7	Cambridge	1.56	124	25	12	12	12
1914	Oct	14	Cambridge	1.56	124	25	12	12	12
1914	Oct	21	Cambridge	1.56	124	25	12	12	12
1914	Oct	28	Cambridge	1.56	124	25	12	12	12
1914	Nov	4	Cambridge	1.56	124	25	12	12	12
1914	Nov	11	Cambridge	1.56	124	25	12	12	12
1914	Nov	18	Cambridge	1.56	124	25	12	12	12
1914	Nov	25	Cambridge	1.56	124	25	12	12	12
1914	Dec	2	Cambridge	1.56	124	25	12	12	12
1914	Dec	9	Cambridge	1.56	124	25	12	12	12
1914	Dec	16	Cambridge	1.56	124	25	12	12	12
1914	Dec	23	Cambridge	1.56	124	25	12	12	12
1914	Dec	30	Cambridge	1.56	124	25	12	12	12

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12 Month	Stock	Div	Yld	P/E	High	Low	Latest	Chg
High	Price							
34	Procter		8.58	3	77	19	25	1/2
35	Procter			3	77	19	25	1/2
36	Procter			3	77	19	25	1/2
37	Procter			3	77	19	25	1/2
38	Procter			3	77	19	25	1/2
39	Procter			3	77	19	25	1/2
40	Procter			3	77	19	25	1/2
41	Procter			3	77	19	25	1/2
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SPORTS

Revived Finley
And Angels Rout
Faltering A's

The Associated Press

At first, Chuck Finley looked like he might be in for a long day. He had not won in his first six starts of 1994, and was going to be facing the Oakland Athletics, whom he'd beaten only three times in 15 career decisions.

But Finley knew one important thing: Entering their Sunday meeting, the A's were in even worse shape than he was.

"I wanted to establish an edge early, because any bad team can

scattered seven hits in his second complete game.

Winfield, 42, hit his 456th career home run off Kevin Brown after Alex Cole led off with a single. The 407-foot drive was the third of the season for Winfield, 18th on the career home run list.

Erickson struck out six and walked two as Minnesota won for the fifth time in seven games. His other complete game was a no-hitter against Milwaukee on April 27.

Royals 9, White Sox 7: Wally Joyner hit a three-run homer and Felix Jose added a two-run homer at Comiskey Park, where Kansas City took a 3-2 lead.

Chicago made three errors that led to three unearned runs, raising the team total to 36 errors in 28 games.

In earlier games, reported Monday in some editions of the *Herald Tribune*:

Yankees 8, Red Sox 4: Danny Tartabull, Mike Stanley and Gerald Williams hit consecutive home runs in the sixth as New York sent the Red Sox to their first three-game losing streak of the season.

Stanley homered twice as New York completed its first three-game sweep of the Red Sox at Yankee Stadium since June 14-16, 1982.

Blue Jays 3, Brewers 1: Paul Molitor hit a two-run homer and Pat



Shortstop Ozzie Guillen leaping over Kansas City's Dave Henderson to turn a double play in the third inning, but Chicago still lost, 9-7.

Hentgen pitched six-hit ball for 8 1/2 innings at the SkyDome. Hentgen struck out nine, giving him a league-leading 49, and walked three.

Stanley homered twice as New York completed its first three-game sweep of the Red Sox at Yankee Stadium since June 14-16, 1982.

Blue Jays 3, Brewers 1: Paul Molitor hit a two-run homer and Pat

Yards. He raised the first 12 batters, then allowed 11 of the next 18 to reach base.

Mike Devereaux homered and drove in four runs. He hit his seventh homer of the season in the first off Mark Clark, then left in the sixth after he was hit in the face by

a pitch from Chad Ogea. Leo Gomez also homered for the Orioles, who led 8-0 after three innings and held on for their eighth victory in 11 games.

Mariners 4, Tigers 3: Jay Buhner had three hits, including a go-ahead, two-run homer in the sixth,

as visiting Seattle stopped a four-game losing streak.

Dave Fleming ended his three-game losing streak, allowing three runs and five hits in six innings with five strikeouts and three walks. Bobby Ayala got six outs for his third save.

Giants' Williams
Stops the Dodgers

The Associated Press

Matt Williams got himself in trouble saying the Los Angeles Dodgers would have trouble winning one game this season off the San Francisco Giants.

The Dodgers almost won three games in the season's first four-game series between baseball's hottest rivals, but Williams saved the

battling just .227, homered and drove in four runs in a 9-2 victory in the opener. He was 4-for-4 in the second game.

In earlier games, reported Monday in some editions of the *Herald Tribune*:

Astros 5, Reds 0: Doug Drabek pitched his first shutout in almost a year, and Houston hit three home runs in winning at Cincinnati.

Drabek won his fourth straight decision. He gave up five hits, walked none and struck out seven for his first shutout since May 27.

Phillies 9, Marlins 2: Ricky Jordan homered, doubled and singled twice as Philadelphia beat Florida. The Phillies stopped their eight-game road losing streak and ended the Marlins' longest-ever home winning string at five.

Lenny Dykstra was ejected for arguing a third strike to open the game, but the Phillies went on to score in each of the first six innings.

Mets 3, Cardinals 2: Bobby Bonilla hit a solo home run in the eighth inning in New York's triumph in St. Louis.

Mauro Gozo earned his first victory in the majors since Aug. 22, 1989, when he pitched for Toronto. He held the Cardinals hitless for 5 1/2 innings, and allowed only two hits in seven innings.

Braves 1, Braves 0: In Atlanta, Ken Hill and John Wetteland combined on a three-hitter, and Montreal ended the Braves' three-game winning streak.

Pinch-hitter Randy Milligan had a sacrifice fly in the eighth inning off John Smoltz for the only run.

NL ROUNDUP

day with a ninth-inning single Sunday to give the Giants a 5-4 victory and a 2-2 series split at home.

Mike Benjamin opened the ninth with a walk off the Dodgers' relief ace, Darren Dreifort, moved to third on a single by Darren Lewis and scored on John Patterson's single to left. Williams, who fled to right with the bases loaded in the seventh, then grounded a hit to left that scored Lewis.

The victory gave the Giants the only winning record (16-15) in the National League West.

Rockies 1, Padres 0: Mike Kinney drew a bases-loaded walk from Mark Davis with two outs in the top of the ninth, and visiting Colorado got past San Diego.

David Nied gave up six hits in eight innings and Steve Reed got his first save. They combined for the second shutout in team history as the Rockies ended a three-game losing streak.

Pirates 9, Cubs 3: Andy Van Slyke put on another top performance, 8-for-9 and scoring seven runs as Pittsburgh swept visiting Chicago in a doubleheader.

Van Slyke, who began the day

AL ROUNDUP

play like a great team if you give it momentum," said Finley.

Finley was in complete control in pitching California's first complete game of the season. He struck out seven, walked none and faced only three batters over the minimum.

Oakland fell to its 17th loss in its last 19 games.

Jim Edmonds and Bo Jackson hit run-scoring singles in the first off Ron Darling and Chad Curtis hit into a run-scoring double play. Jackson's hit ended an 0-for-21 slump.

Twins 5, Rangers 2: Dave Winfield broke a sixth-inning tie with a two-run, two-out homer and visiting Minnesota's Scott Erickson

scattered seven hits in his second complete game.

Winfield, 42, hit his 456th career home run off Kevin Brown after Alex Cole led off with a single. The 407-foot drive was the third of the season for Winfield, 18th on the career home run list.

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Pinch-hitter Randy Milligan had a sacrifice fly in the eighth inning off John Smoltz for the only run.

For the Record

Alessio Di Basco of Italy upset the favorites Monday to win the 15th stage of the Tour of Spain between Santo Domingo de la Calzada and Santander. Switzerland's Toni Rominger kept the overall lead. (Reuters)

The Dutch soccer star Ruud Gullit, 31, on Monday returned to AC Milan, signing a one-year \$1 million contract with the club. (AP)

For investment information

Read the MONEY REPORT every Saturday in the IHT

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division

Team	W	L	Pct.	GB
Boston	20	10	.667	0
New York	19	10	.655	1
Baltimore	16	13	.556	4
Toronto	14	15	.483	6
Detroit	12	18	.400	9

Central Division

Team	W	L	Pct.	GB
Chicago	16	13	.552	0
Kansas City	15	13	.531	1
Cleveland	14	13	.519	2
Minnesota	13	14	.481	3
St. Louis	12	16	.431	5

West Division

Team	W	L	Pct.	GB
Texas	12	16	.431	0
Seattle	12	17	.414	1
California	11	17	.393	2
Oakland	11	17	.393	2

NATIONAL LEAGUE

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Team	W	L	Pct.	GB
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Team	W	L	Pct.	GB
San Francisco	16	13	.556	0
Colorado	13	15	.464	3
Los Angeles	14	17	.452	2
San Diego	10	20	.333	7

Sunday's Line Scores

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Philadelphia looks series 1-0

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